COLONY AND PROTECTORATE OF KENYA

Kenya- colony and protectorate
Planning committee.

REPORT OF THE PLANNING COMMITTEE

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REPORT OF THE PLANNING COMMITTEE

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REPORT OF THE PLANNING COMMITTEE

CHAPTER I—INTRODUCTION

HIS EXCELLENCY THE GOVERNOR,
GOVERNMENT HOUSE,
NAIROBI.

YOUR EXCELLENCY,

On the 2nd July, 1948, Your Excellency in Council approved of the setting up by the Development and Reconstruction Authority of a Planning Committee, as recommended in paragraph 8 of the Report of the Development Committee, in which the function of the Planning Committee was set out as "the revision of development plans in the light of changing circumstances". In March, 1950, Your Excellency directed that the Planning Committee should be reconstituted as a Standing Planning Committee with the same terms of reference.

2. In our interim report dated 8th November, 1950, the full text of which is given at Appendix I, your Committee stated that it was engaged in examining the revised plans submitted by Members of the Executive Council responsible for groups of departments in the light of the finances estimated to be available for the remaining five years of the development period. Pending the submission of a fuller report, we recommended the acceptance of a number of additional schemes which we considered to be inescapable and urgent and ought to be begun without delay.

3. We have now completed our examination of the revised and new plans and have the honour to submit a fuller report.

(1) THE PROBLEM

4. In our examination of the plans referred to us we have kept in mind the basic principle governing development laid down by the Development Committee, i.e. "to use the natural resources of the country, including manpower, in a manner calculated to increase the national income of Kenya in the shortest space of time so as to raise, as soon as possible, the standard of living of the majority of the inhabitants". We do not recommend any substantial departure from this principle but we realize, as did the Development Committee, that the execution of certain projects will be necessary even if, on a strict application, they do not satisfy this test. Experience gained during the first five years of the Development Programme has shown clearly that this principle should be interpreted as broadly as possible.

5. We appreciate that Kenya is primarily an agricultural country with little mineral wealth so far discovered and that its prosperity depends largely on the healthy development of its land in the widest sense. Among the first priorities therefore must be the preservation and improvement of our soils, the development of our forest estate and water supplies, the opening up of new areas to relieve the pressure on existing

land and the development and application of sound methods of agriculture and animal husbandry. For this reason, in our interim report we recommended considerable expenditure on research and other measures designed to assist and improve the agricultural industry and to place it on a sound footing. On the other hand the development of our human resources cannot be allowed to lag behind the development of our natural resources if the fullest benefit is to be derived from the association of these two factors of production. One of the greatest problems is the comparative inefficiency of labour throughout the Colony and the paramount need to increase productivity and particularly the output per man. Expenditure on education, particularly vocational training, and on medical services designed to improve the calibre of our manpower must therefore rank high in priority.

6. Nor can we overlook the importance of the other vital element in production, namely capital. Capital is necessary not only to develop efficiently our agricultural potential but also to establish secondary industries for which there is increasing scope. Good communications and transport, facilities for the improvement and expansion of existing industries and for the establishment of new ones, and reasonably adequate services and amenities are required to encourage the investment of new capital and the promotion of new enterprise. It is often said that money spent on social services or amenities is not productive. Those who say this overlook the fact that industries will establish themselves where conditions are attractive and above all where those engaged in them can obtain the services they require. In many respects therefore, money wisely spent on providing suitable facilities designed to attract productive industry and thus to broaden the base of our economy is truly productive and will pay handsome dividends.

7. Kenya has great natural assets in its climate, its game and its central position in relation to the other East African territories. We consider that the Colony should develop those facilities which attract not only residential settlers but also overseas and East African visitors and result in substantial invisible exports, which are a most important factor in the Colony's economy.

8. Whilst therefore in no way underestimating the importance of agriculture, we believe that it would be shortsighted policy to allocate practically all the additional funds available for development to what it has been customary to refer to in Kenya as "productive" services. In short the plan must be well balanced and designed to expand the whole economy of the Colony.

9. It would be advantageous and convenient if it were possible to concentrate on schemes designed to pave the way for further development and to utilize the bulk of the funds available for schemes which could be regarded as developmental in the sense of being of direct and immediate economic benefit. The situation in Kenya however is rather the reverse. Partly because of the lack of capital expenditure during

the pre-war and war years, which accounts for the disproportionately large reconstruction element of the programme, and partly because of the speedy growth of the country in post-war years, we are faced with a situation in which much of our programme must of necessity be designed to try to catch up with development and not precede it. Thus, to take non-African education as an example, much of the expenditure recommended is necessary not to provide for children whose parents may come to the Colony as a result of the development we are now planning but to enable the Government to meet its statutory obligations to provide for the children who are already here, many of whom have entered the Colony in the past few years as a result of the development undertaken both by private enterprise and by the Government.

10. It has been clearly demonstrated that it is not possible to carry out a large development programme without considerable expenditure on staff housing and buildings. However modest the standard of construction, houses and offices are necessary for the officers engaged in development and indeed it is not possible to secure or retain staff unless adequate housing can be provided. The Development Committee intentionally limited the amount of money to be spent on departmental buildings and housing. We believe, however, that the inescapable needs, particularly as regards staff housing, were seriously underestimated and the proof of this is that the pressure of events has made it necessary since 1946 to supplement by sums amounting to approximately £1,250,000 the original sum of £450,000 earmarked for the housing of all races for the full ten-year period. It is no easy matter to assess staff housing requirements over the next few years, for these requirements depend on the progress of the plan, and that in its turn may depend on the provision of staff housing, but in adding £500,000 to the provisional allocation of £650,000 which we had made for this purpose and in insisting that provision should be made for staff housing in the plans for which separate allocations are made, we believe that we have catered sufficiently for the Colony's staff housing needs during 1951–55. Care should be taken, however, to avoid building staff housing which will not be required permanently.

11. As we pointed out in our interim report, even if needs had not altered since 1946 a revision of the Development Plan would have been necessary on account of changes in the price and salary structures. We cannot foresee what the trend will be during the next few years, but we appreciate that the estimates on which the new and revised schemes are based are already in some cases out of date in this respect. Such changes together with the changing needs of a young colony appear to us to be the strongest possible arguments for retaining flexibility in development plans and for providing a means for keeping the plans under continuous review.

12. It was with these considerations in view that we proceeded with the examination of the schemes submitted by Members.

(2) THE FINANCES

13. It will be remembered that the Development Committee recommended a programme of £15,586,000 based on the funds which it was estimated in 1946 would be available over the ten-year period. Since 1946 further funds have been provided by special contributions from revenue and other sources and it was known that additional finances were likely to be available from loans in accordance with the agreement to increase the Colony's borrowing. The position reached when we made the review on which the interim report was based, was that the total moneys already provided or in view amounted to £28,951,600, of which £20,535,600 had already been voted by the Legislature for approved schemes. There was thus £8,416,000 available for new and revised schemes and this formed the basis of the provisional allocations made in our interim report within which Members were invited to submit their revised schemes which we have examined in the light of the considerations set out in paragraphs 4–11 above. In addition to being invited to submit schemes within the provisional allocations Members were given full liberty to submit proposals for the reallocation to new projects, which they considered more urgent, of unspent moneys earmarked for approved projects. Members were also free to represent that the allocations made to them were insufficient to enable them to plan adequately to meet their basic needs; indeed many have done so, and in the light of these representations we have in several cases recommended further allocations.

14. Since March, 1950, when we made the review on which our interim report was based, further sums are known to have become available either by special contributions from revenue or from special funds. The sums listed in the following table are earmarked for specific projects and therefore, whilst they increase the total moneys for spending and are included in the financial table in paragraph 18, they are not available to us for allocation:—

		£
1950—	Contribution from revenue for the Survey Development Programme	60,000
	Excess over Development Committee Report estimate accumulated in the Forest Replanting and Development Fund	139,400
1951—	Contribution from revenue towards cost of Central Government offices	200,000
	Special capital contribution from revenue to the Road Authority	300,000
	Nyanza Cotton Sales Fund for development of the Nyanza cotton areas	60,000
		£759,400

With regard to moneys not specifically earmarked it has been ascertained that the sums which have accrued in the War-time Contingency Fund and the Excess Profits Tax Fund are likely to exceed the estimates of the Development Committee by approximately £950,000.

15. As we proceeded with our examination of plans it was soon evident that even the provisional allocations, the special contributions and additions and reallocated moneys would be quite inadequate to allow of realistic programmes, and indeed in some cases to meet commitments already accepted by the Legislature. Rather than present a plan which we knew could not meet the minimum needs of the situation we have, whilst eliminating projects which may be desirable but not essential, presented what we consider is a properly balanced and reasonably realistic programme for the necessary development of the country during the next five years. This programme will, on present assessment, result in a deficit.

16. In our view it is not possible significantly to reduce the scope of the plan or to omit many of its various component schemes without seriously retarding the co-ordinated development of the Colony. In saying this we do not overlook the serious financial burden which the implementation of this plan is estimated to place upon the Colony. For this reason, and because at this stage it is not possible to determine the exact extent to which it can be financed, we recommend that the provisions proposed should be regarded not as firm allocations, which indeed for obvious reasons they cannot be, but as targets at which the Colony should aim, and that the progress which can be made towards these targets should be determined at frequent intervals in the light of the finances available at the time and with regard to the financial and economic outlook for the future.

17. Such periodic reviews will enable a check to be made on the recurrent expenditure arising from the progress of the Development Plan. Thus it should be possible to ensure that the Colony is not being committed to recurrent expenditure beyond its capacity.

18. We consider that to show by themselves the additional allocations which we now recommend would be misleading, because in making these allocations we have naturally had to take into account both the needs of the various aspects of development and the balance of funds remaining for expenditure out of the 1946–50 allocations. The financial table which follows has therefore been designed to show not only the additional allocations which we now recommend but also the progress of the plan to date and the full targets set for the five years 1951–55. The new allocations recommended are inclusive of the provisional allocations made in our interim report:—

Head	D.C.R. Schemes plus Approved Expansion to 31/12/50	Estimated Unspent Balances at 31/12/50	Contributions for special projects 1951	Additional Allocations for New and Revised Schemes	Total Proposed Spending 1951-55
	£	£	£	£	£
Agricultural and Veterinary Services	6,545,000	2,817,500	—	1,250,000	4,067,500
Forestry	598,400	375,400	—	—	375,400
Water Development	1,571,000	1,001,500	—	(a) 1,272,000	2,273,500
Surveys	123,000	84,900	—	—	84,900
Roads	1,996,000	75,000	300,000	3,600,000	3,975,000
Airfields	40,000	10,000	—	390,000	400,000
Posts and Telegraphs.. ..	791,000	693,500	—	—	(b) 420,000
Health and Hospital Services	1,230,600	810,600	—	700,000	1,510,600
Education	3,509,000	1,280,900	—	3,530,000	(c) 4,860,900
Community Development ..	35,000	10,200	—	71,000	81,200
Provision of Facilities for Industry	100,000	(d) 100,000	—	200,000	250,000
Tourists and National Parks	102,000	44,000	—	155,000	199,000
Buildings	3,640,600	1,191,800	200,000	2,610,000	4,001,800
Military Capital Development	50,000	41,000	—	400,000	441,000
Cotton Areas Development ..	—	—	60,000	—	60,000
Fisheries	13,000	4,300	—	—	4,300
Town Planning	18,000	—	—	—	—
Statistical Services	3,000	(e) 3,000	—	—	—
Building Materials	3,000	—	—	—	—
Nandi Hills Project	20,000	9,400	—	—	9,400
Administrative Expenses, etc.	170,000	101,100	—	—	101,100
Kenya Cultural Centre ..	50,000	33,000	—	—	33,000
Miscellaneous Minor Projects	47,400	—	—	—	—
	£20,656,000	£8,687,100	£560,000	£14,178,000	£23,148,600
Unallocated	95,500	95,500	—	—	(f) 372,000
	£20,751,500	£8,782,600	£560,000	£14,178,000	£23,520,600

(a) Does not include provision for the Mombasa Water Supply Major Project.

(b) Since 1948 when the Posts and Telegraphs Department became a self-financing administration under the ægis of the High Commission there has been no expenditure against this allocation. Just before completing this report we were informed of certain proposals which were to be submitted to the Standing Finance Committee, which, if accepted, would involve a Kenya contribution of some £420,000 during 1951–55 towards a Posts and Telegraphs renewals fund. We have, therefore, thought it wise to retain this amount provisionally under the Posts and Telegraphs allocation.

(c) Includes £50,000 provided under the Industrial Development head of the Development Committee Report for a Technical and Commercial Institute. This sum has now been reallocated and will form part of the funds to be used for the new Technical College.

(d) £50,000 reallocated to the Education head to form part of the funds for the Technical College.

(e) The Statistical Services are now the responsibility of the High Commission and the unused provision has been transferred to Unallocated.

(*f*) Whilst the Committee recognizes the need for unallocated pro meet unforeseen demands it has contented itself with retaining under the following unspent balances:—

(i) The amount still unallocated from the Development Committee unallocated provision of £241,000 (the amounts already allocated are included in the scheme values approved up to 31st December, 1950) .. ..

(ii) Amounts not yet earmarked from special block grants from revenue .. ..

(iii) Balance remaining in the Posts and Telegraphs allocation, less the £420,000 recommended provisionally for contributions to a renewals fund .. ..

(iv) Unused Development Committee provision for Statistical Services .. ..

19. The table in paragraph 18 does not show all the devel schemes which have been approved since 1946 or are to be car during 1951–55. It shows the Colony schemes to be carried o Kenya funds, from loan moneys and from the purely Kenya al of the Colonial Development and Welfare Vote. In addition th schemes administered by Kenya and financed from the Interte and Central Research allocations of the Colonial Developme Welfare Vote and also local authority schemes, to be financed b raised by the Colony on behalf of local authorities. Schemes to th of £578,000 and £277,000 have been approved under the Interte and Central Research allocations and there are estimated to be balances of £241,000 and £123,000 at the end of 1950. In additio to the extent of £2 million, which will be reimbursed, will be ra the Colony for local authority schemes. We make some general mendations regarding loans to local authorities in Chapter X throughout the report mention is made of schemes to be finance the Interterritorial and Central Research allocations of the C Development and Welfare Vote where they affect the recommen we make.

20. The additional allocations totalling £14,178,000 wh recommend, will bring the total revised programme for 194 £35,489,500, composed as follows:—

Approved programme as at 31st December, 1950 ...	20,
Approved additions, 1951	
Additional allocations now proposed	14,
	£35,

21. To meet the total expenditure programme of £35,489,500 the following moneys are available:—

	£
As estimated in the Development Committee Report	15,586,000
Additional loan moneys	11,500,000
Special contributions from revenue	2,311,000
Proceeds from special sources	1,529,500
(for further details see Appendix II)	£30,926,500

There is thus a deficit of £4,563,000.

22. No mention has been made so far of the Mombasa Water Supply. The cost of this scheme is estimated at £5 million, which includes capital expenditure and provision to cover such recurrent charges as cannot be met from revenue during the preliminary uneconomic period. Although we recognize the urgency and necessity of this scheme we have come to the conclusion that it should be treated as a special issue for the simple reason that a scheme of this magnitude cannot be embarked upon unless the source of funds can be assured, and to have included this scheme at the expense of other projects would have thrown the whole plan out of balance.

23. We have considered whether we ought to make recommendations as to how the deficit should be met but, after consulting the Member for Finance, have come to the conclusion that this is not a function of the Planning Committee. As we have said, the plans which we recommend should be regarded as targets and if it proves financially sound and physically possible to reach the targets during the next five years then no doubt appropriate ways of finding the additional finance will be examined and the most economical methods adopted, having regard to the nature of the projects and the financial and economic position of the Colony. Should it be found impossible or undesirable to produce during the next five years sufficient funds to bridge the deficit it does not necessarily mean that the programme must be abandoned. It may merely have the result of spreading the spending proposed over a longer period of years.

24. Whilst the aim of capital development is to increase the national income and hence the revenues of the Colony, there is inevitably a time lag between the expenditure of capital and the return by way of revenue. In the meantime capital projects give rise to recurrent charges which must be met out of annual revenues. These charges include both the cost of servicing loans and the cost of running the new services.

25. The Development Committee estimated that the gross increased recurrent expenditure which would arise out of the Development Programme by the end of the ten-year period would be £1,125,000. It is a

matter of some difficulty to distinguish between additional recurrent expenditure arising out of development proper and that which arises from the normal growth of the Colony or out of abnormal circumstances such as the post-war crime wave, but we have reason to believe from the experience of the past five years that the Development Committee seriously underestimated increased recurrent commitments. Part of the additional recurrent costs which have arisen is of course the result of increases in the cost of materials and of salaries which the Development Committee could not have foreseen.

26. The importance of this aspect of development in a young and growing country cannot be underestimated and we have attempted to draw up as accurate an estimate as possible of the annual additional recurrent costs which are likely to arise by 1956 out of the total proposed capital expenditure during the period 1951–55 (*see* Chapter XVI). The gross additional recurrent expenditure amounts to £2,544,600 and the net figure, deducting additional revenue likely to accrue, is £2,305,250.

27. It is relevant in this connexion to refer to the question of the charges for a number of services provided by the State. We have found it necessary, for reasons which we have explained, to include considerable provision for the expansion of agricultural and various social services. The cost of these services, and particularly the increasing recurrent implications of their expansion, has given us much cause for concern and we feel that we must draw attention to the fact that the charges for many of them bear little or no relation to their real cost; in other words, the charges contain a substantial element of subsidization. We recognize that in older and more fully developed countries it is possible, and indeed frequently desirable, to carry the whole or part of the cost of such services upon the central revenues, but in Kenya such a policy is not practicable. We recommend therefore that the charges for such services should be examined with a view to bringing them into much closer relationship with their real costs.

28. We wish to make it clear that the estimates of increased recurrent costs, like the estimates of capital expenditure, are based on current prices and that should there be any variation in prices or salaries they will alter. Whilst we make recommendations regarding increases in charges and fees to help to meet the additional cost of new services we realize that these can only partially bridge the shortfall and that the balance, which will be substantial, will have to be met by an increase in yield from present taxation or by an increase in taxation. The alternative would be to reduce the amount or rate of development, which in the light of the needs of the Colony we consider would be unwise.

(3) PROGRESS AND PLANNING

29. There are three factors which will influence the progress of the development programme—the rate at which finance can be provided, the physical capacity of the Colony to carry out approved schemes and the

rate at which development capital can be injected into the general economy of the Colony without having an undue adverse effect upon it.

30. The Colony has now reached the stage when the reserves built up out of wartime funds are exhausted and the rate of spending hereafter will have to conform to the rate at which new funds can be made available, which in its turn will depend largely upon the progress of the loan programme. Contrary to popular belief the timing and extent of borrowing are not matters wholly within the control of the Colony. Whilst the amount of money available on the local market is an important consideration, and it is important for the Colony to raise as much loan finance as possible within the Colony itself, experience shows that it is desirable to link local flotations with simultaneous London issues. The factors governing approach to the London market are complex. Much depends on the financial position and productive capacity of the United Kingdom and Kenya has to take her place with other colonies and territories in a phased programme. It is clearly then not possible for the Colony always to choose the time of going to the market nor the amount which can be raised in one instalment. Although we hope that matters may be so arranged that loans can be raised at the most favourable times and for the approximate amounts required, the possibility that the rearmament programme may throw our plans somewhat out of joint must not be excluded.

31. The second limiting factor is the physical capacity of contractors and the works organization to cope with the programme. This depends partly on staff and partly on materials. Whilst in some branches the staff position is satisfactory others are still not up to strength. As regards materials every effort has been made and is being made to build up reserves of materials essential for development but it is not possible to foresee what the supply position will be in a few years' time. There is every indication, however, that as a result of the rearmament programme it will tend to become more difficult.

32. The third factor is the rate at which Government expenditure can be undertaken without making an undesirable impact upon the general economy of the country. For example, it may be inadvisable for the Government during a building boom to enter into competition with private enterprise and thus give an added fillip to the spiral of inflation.

33. Such considerations are the strongest possible argument for flexibility. For this reason the recommendations contained in our report should be regarded not so much as a firm and fast plan but rather as an indication how on broad lines it is proposed to spend the sums we consider should be spent on capital development over the next five years.

34. Conditions may well change as they have changed in the past and priorities may alter. For this reason alone we would emphasize once

more the point made in our interim report that planning is a continuous process. We therefore recommend that the Planning Committee should be kept in being or that a new committee be appointed to keep the situation under review and to redefine the targets from time to time as may be required. It is not, however, our intention that this body should usurp one of the most important functions allotted to the Development and Reconstruction Authority—that of assigning priority of execution as between works and projects approved.

35. The chapters which follow deal in a logical order with the services to be financed out of development moneys. Whilst in many cases the actual amounts to be spent on individual schemes are given, we repeat that these must be subject to revision in the light of changing circumstances. We have refrained from giving an annual figure of spending for each head of the development plans or for the plan as a whole, because the programme must be subject to adjustment and will be influenced by the three factors referred to in paragraph 29. The rate therefore at which the programme can be carried out cannot be determined with accuracy in advance but must be decided from year to year.

36. The expenditure on schemes, which we recommended in our interim report should be commenced in 1951, totals approximately £663,000 for non-Colonial Development and Welfare schemes and £391,000 for Colonial Development and Welfare schemes. For convenience we have included these schemes under the appropriate headings in the individual chapters of our report. We recommend that they should be regarded as a first charge on the additional moneys made available for new development.

37. Finally, we would explain that, whilst our plan is designed to cover the period 1951–55, we do not suggest for one moment that all necessary development will, or even can, be completed by the end of 1955, and that thereafter capital expenditure will cease. It will be obvious that a large and complex organic entity such as the Colony of Kenya cannot be expected to reach maturity on a predetermined date, even if there is any means of judging when in fact a country has reached economic maturity, and that there is bound to be a continuing need for capital replacement, and even for expansion, if we are to keep pace with modern developments. Kenya is a young, vigorous and growing country which will undoubtedly continue to expand. It has a great future, and we believe that, given wise guidance and a forward policy, it will go from strength to strength. There is no doubt that sound development tends to create the means and to provide the stimulus for further development. We must stress therefore the importance of a reasonably bold outlook and an optimistic approach to development and emphasize the inevitable need to undertake a fresh capital programme after 1956. We recognize that, having regard to the dictates of sound finance, a public debt of £20 million by 1956 is the limit of indebtedness to which the Colony on present assessment ought to go in the matter of borrowing but the

development which is now taking place, and which we recommend should be undertaken, may itself make additional borrowing possible without overstretching the Colony's capacity to service its public debt. In view of the importance of the continuation of a capital programme after the present ten-year period we recommend that a full review be made not later than the end of 1954 of all sources of finance which may be available to continue development.

Part I—Development of the Land

Chapter II—Agricultural and Veterinary Services

38. It is appropriate that the first chapter of our report containing detailed proposals should be devoted to the improvement and expansion of the agricultural and veterinary services, the main agencies through which the Government carries out its policies for the healthy development of the Colony's chief asset—the land. The problem of the land is probably the most serious and urgent one facing the Colony to-day and we have therefore given much thought to the best methods of tackling it and to the provision of adequate finance for the purpose.

39. Before we proceed to discuss our proposals for these important services, we wish to make two preliminary observations. In the first place we welcome the decision taken by the High Commission to work out long-range plans for such economic self-sufficiency in East Africa as examination in detail may show to be practical. The protection from dumping and sudden external price collapse which such a policy will give to many agricultural products and the encouragement it should provide to local production, ought to do much to place the agricultural industry on a sound footing and to create the confidence required to give a further stimulus to expansion and development.

40. Secondly, we would draw attention to the fact that the proposals for capital expenditure which we recommend in this chapter and elsewhere do not by any means represent the whole of the measures to be provided by the Colony to promote a healthy agricultural industry. We lay the greatest store on the proper care of the land and the development of sound agricultural methods designed to preserve and improve it, to increase productivity in the widest sense, to secure the adoption of better and more balanced diets, and generally by all these means to raise the standard of living of the people. Broadly speaking, there are two methods by which these ends can be achieved, by direct methods such as soil conservation, provision for which we shall recommend in this chapter, and by indirect methods, such as education and propaganda designed to bring home to the people the gravity of the problem and to secure their co-operation in measures designed to combat it. Especially in the African areas, progress towards a proper understanding of what must be done must be made largely by patient education and propaganda. For this purpose suitably trained and qualified staff are the main essential. We would emphasize therefore that much of the means

required to accomplish our ends is to be found not in the Development Plan but in the Colony Estimates in the form of Administrative, Agricultural, Veterinary and Educational Officers and many others. We make this point because it is sometimes overlooked that adequate staff in these departments, who can concentrate on persuading the local people to co-operate in remedial measures, is certainly one of the most important contributions which can be made towards the ultimate solution of this great problem. Moreover, sufficient staff in these fields is absolutely essential if full advantage is to be gained from the proposals for capital expenditure which we recommend.

41. In our view the problem of the land falls conveniently under two main headings—

(1) the preservation and restoration of land at present occupied, including sound methods of agriculture; and

(2) the development of new areas and new techniques in order to relieve the pressure on occupied land.

At the very beginning we would emphasize that neither of these aspects of the problem is susceptible of quick or easy solution—that is to say in a comparatively short space of time such as the period of development now under review. In our view they can only be solved by careful research and by the sustained application of proved remedies over a long period. Above all, they require the understanding and co-operation of the people. Nature in Africa has always proved a hard taskmaster and there are innumerable examples, if any are needed, of the dangers, difficulties and cost of attempting to obtain quick results by methods which have not been fully proved. Our aim therefore has been to provide adequately in the first place for the research and investigation which are needed to indicate the way and to recommend such funds as we consider can usefully be spent during the next five years, having regard to limitations of staff, technical knowledge and experience, in order to build a sound foundation for the ultimate solution of this problem.

42. Whilst we do not in any way underestimate the gravity or the urgency of the problem, nor do we take a pessimistic view of the possibility of ultimate solution, we stress that it is not capable of quick or spectacular solution and that the remedy is rather to be found by long-term patient and steady effort on the part of all concerned and by the application of proved methods.

43. Turning now to our detailed proposals with regard to the preservation and restoration of the land, we recommend provision of a further £600,000 in order that the Soil Conservation Scheme can be fully carried out. This sum, together with funds already earmarked, brings the total provision for this scheme to £2,100,000, but we hope that the scheme value may be further increased out of the revenue earned by the Soil Conservation Service. However, if our subsequent recommendations regarding the assumption by the Colony of recurrent

expenditure at present borne by the scheme are accepted, consideration will have to be given to the proper apportionment of revenue as between the Development and Reconstruction Authority and the Colony.

44. Bound up with the Soil Conservation Scheme, although financed independently, are the activities of the Dam Construction Units. These units, which we recommend should be financed on a semi-commercial basis by means of a basic allocation of £100,000 working capital, will in effect be engaged in the solution of the same aspect of the agrarian problem as the Soil Conservation Service, but in a slightly different manner.

45. At the same time as endeavours are made to restore and preserve the soil by such direct physical methods as soil conservation and dam making it is imperative to take steps to ensure that these areas are not endangered by overstocking. Modern veterinary science, which works towards the elimination and prevention of disease, may only serve to increase cattle populations to the extent where further deterioration of the soil will take place, unless at the same time the bulk of our African stockowners can be persuaded of the advantages of culling and of disposing of surplus stock. In many African areas at the present time there is a welcome and indeed encouraging tendency towards the improvement of herds and the disposal of surplus stock. This movement must be fostered by every means. Once again, one of the chief measures must be education and propaganda by Administrative and Veterinary officers, but where and when owners are prepared to sell surplus stock it must be made possible for them freely to do so. We therefore emphasize the importance of facilitating the movement of cattle to areas where they can be sold. In our interim report we recommended further provision of £28,000 for the fencing of stock routes. We now recommend an interest-free loan of £50,000 to the Meat Commission to enable it to establish a canning factory for the disposal of surplus stock. We regard this side of the Meat Commission's functions as extremely important and hope that the cannery will be established and operated at the earliest possible date.

46. Whilst we consider that the application of sound soil conservation measures, the control of grazing and the disposal of surplus stock in overstocked areas will lay solid foundations for the restoration of over-cultivated and over-grazed lands, we recognize that a steady increase in population is taking place, which tends to gather impetus with every improvement in living conditions. This means that the land problem can only be satisfactorily solved by longer term remedies, such as the development of better farming techniques in order to increase productivity and in particular by the opening of new areas for settlement and the development of industry which will absorb some of the surplus population. The provision of adequate facilities for research and the local application of the results of research are fundamental to the development of better farming techniques and to an increase in productivity.

In recognition of this in our interim report we recommended considerable expenditure on investigational research as a first priority of the agricultural plan. The following were the more important provisions:—

	£
(*a*) Agricultural Investigation Scheme	218,000
(*b*) Kabete Veterinary Laboratory (buildings and equipment)	70,000
(*c*) Naivasha Veterinary Laboratory (buildings and equipment)	60,160
(*d*) Livestock improvement and animal industry centres	15,175
	£363,335

We have also given thought to the provision of facilities designed to attract industry, but this subject will be dealt with in a later chapter.

47. The question of developing new areas is a much more difficult one. In our view it has been a wise and prudent policy to experiment in the early stages with pilot schemes in order to obtain the necessary knowledge and experience to operate larger schemes later, but we welcome the fact that the Government is now launching into more ambitious schemes. In fact we feel that the time has come to carry the policy still further and we recommend that a careful investigation should be made of possible new areas and into the methods of inducing populations from overcrowded areas to leave them and to settle in new ones. The problem of relieving congested areas is so important that we cannot afford to neglect any possible means of resolving it.

48. In the meantime we believe that as much finance is being earmarked as it is possible usefully to spend during the period under review for the schemes at present in mind. Should it be possible to proceed with schemes of mass-migration quicker than we envisage, then in our opinion the question of reallocating finance for this purpose must be examined, for we believe that this is one of the ways in which the quickest progress can be made towards the solution of our land problem.

49. During the course of our examination of the Agricultural and Veterinary plans we have noted that certain permanent and pensionable staff who are employed in the Soil Conservation Service, on Tsetse Control and on African settlement schemes are paid from Development and Reconstruction Authority funds. We consider that this expenditure, which is of a recurrent nature, should properly be borne by the Colony. We therefore recommend that such staff as is permanent and pensionable, and such further staff as it is agreed will be required after 1955, should be progressively transferred to the Colony budget, together with the consequential other charges. We consider that this is a logical arrangement arising from our view that work on soil conservation and African settlement is continuous and cannot be allowed to lapse at the end of the present development period.

50. The following table explains the financial proposals for the Agricultural and Veterinary allocations:—

	£
Development Committee Report provision	6,387,000
Further approved expansion	158,000
	6,545,000
Estimated expenditure to 31st December, 1950	3,727,500
Balance of 1946–50 allocations	2,817,500
Additional allocation now recommended	1,250,000
Total proposed spending 1951–55	£4,067,500

Of the £4,067,500 it is proposed to spend £2,392,690 on existing schemes within the approved scheme value and the balance of £1,674,810, which is composed of the new allocation £1,250,000, together with savings of £424,810 from the Development Committee Report allocation and subsequent additions, will be devoted to increasing the values of existing schemes and to new schemes.

51. The following notes give a brief description of the revised and new schemes which will be met from the sum of £1,674,810 referred to above, and in some cases make specific recommendations with regard to these schemes.

(A) Schemes Recommended in the Interim Report

	£
(1) *Agricultural Investigation Scheme*	218,000

This scheme is concerned with the establishment of a chain of Agricultural Research and Investigational Stations throughout the Colony and includes provision for the following:—

	£
Administration Offices and Central Laboratories	66,808
Coffee Research Station, Ruiru (additions)	13,907
Investigational Station, Uasin Gishu	18,437
Investigational Centre, Sotik	11,451
Investigational Centre, Central Province	13,752
Investigational Centre, Nyanza Province	14,075
Thomson's Falls Agricultural Station (additions)	4,530
Fruit Research Stations and Sub-stations	6,070
Pasture Research	68,970
	£218,000

It should be noted that Pasture Research will be undertaken in conjunction with other branches of research.

(2) *Livestock Improvement and Animal Industry Centres* 15,175

The amount allocated is to meet the additional cost of the existing scheme.

(3) *Quarantine Areas and Fenced Stock Routes* 28,000

The amounts provided in the Development Committee Report, and subsequently, have been found to be inadequate for the fencing of stock routes and the amount allocated is required to complete the scheme as at present framed.

(4) *Veterinary Laboratory, Kabete* 70,000

Funds amounting to £20,705 were provided from revenue in 1949 to cover the cost of staff quarters and equipment urgently required. The present scheme is to cover the cost of further quarters and equipment and other buildings required to improve the facilities at the Kabete Laboratories for the manufacture of biological products.

In conformity with our general views on this subject expressed in paragraph 27, we recommend that the aim should be to make the scheme for the production of biologicals self-supporting, and we are glad to learn that the question is already being examined.

(5) *Veterinary Laboratory, Naivasha* 60,160

Under this scheme a research station will be established at Naivasha for the investigation of sterility diseases of cattle and for the development of the pig and poultry industries.

(6) *European Settlement* 130,000

This allocation results from a proposal set out in a White Paper presented to the Legislative Council recommending the establishment of a European Agricultural Settlement Fund. A sum of £130,000 is necessary to restore the capital structure of the European Settlement Board to £1,600,000 as at the 1st April, 1950, the date of establishment of the Fund.

(7) *Agricultural Schools* 12,500

These funds are required for the development of the school farms at the Embu and Maseno Training Centres.

(8) ***Production of Rhodes Grass Seed*** 10,800

There is a big demand for Rhodes grass seed which requires specialized production and has not so far been grown on a commercial basis. It is hoped that the scheme now being undertaken will encourage private enterprise to take up production of this seed.

£544,635

(B) Schemes Not Included in the Interim Report and Now Recommended

£

(9) *Soil Conservation and Agricultural Development* ... 600,000

No change in the scheme as originally framed is proposed. The additional funds are required merely to meet increased costs of materials and staff. The revenues earned by this scheme, mainly from work performed by the mechanical units in the European areas, will be used to meet the shortfall between the revised total allocation of £2,100,000 and the revised total gross estimate, which is £2,500,000, except in so far as it may be decided to effect an adjustment between the Development and Reconstruction Authority and the Colony as a result of the implementation of the recommendations regarding recurrent expenditure which we have made in paragraph 49.

(10) *Livestock Improvement and Veterinary Development* 72,000

In addition to the provision of £15,175 made under Scheme No. (2) above for the completion of centres under the original scheme, which is financed from Colonial Development and Welfare funds, we recommend a further £72,000 for expenditure on veterinary projects. The following summary indicates the way in which it is proposed to spend this allocation:—

	£
(*a*) Konza Livestock Improvement Centre	20,400
(*b*) Kibigori, Isiolo and Ngong quarantine areas and holding grounds	21,000
(*c*) Further development of established centres	12,600
(*d*) Training establishment hostel ...	5,000

(*e*) School farm herds in African areas	3,000	
(*f*) Improvement of stock other than cattle, pigs and poultry ...	10,000	
	£72,000	

(11) *Dam Construction Units* 100,000

One unit has been in operation since 1948 and a second one since 1949. These units work in the African and in the settled areas and charges levied are calculated so that both capital and operational costs will eventually be recovered. It will be appreciated, however, that it is not possible to undertake a scheme of this kind without a considerable capital outlay and that the recovery of revenue naturally lags behind expenditure in the earlier stages. As no allocation exists for this service it is proposed to make an allocation for capital expenditure and for working capital on the understanding that the allocation made for this purpose should be recovered in full or the deficit be represented by the residual value of the plant.

The allocation proposed, which corresponds approximately to the capital and recurrent expenditure already incurred, is £100,000. As from 1951 the expenditure on Dam Construction Units will be met from the revenue earned by the units.

(12) *Silo Storage* 300,000

The question of the construction of adequate silo storage at Nairobi, Nakuru, and Eldoret has been exercising the Colony for some time and at present a report of the probable cost of such storage is awaited from the Consulting Engineers appointed to investigate the project.

We are informed that an examination is at present being made into the best way of financing and operating this scheme. Whatever the outcome may be it is probable that the Government will have to make some contribution.

We recognize the necessity for this project and therefore recommend that provision of £300,000 be made. It should be noted that this provision is not based on actual estimates, but we understand that a sum of this order is likely to be required as the Government contribution towards a scheme of this nature. We consider that this contribution should be in the form of an interest-bearing loan.

(13) *Meat Canning Factory*	50,000

The Development Committee Report included provision of £50,000 for a Central Abattoir. This sum has been advanced to the Meat Commission but is now due for repayment as the Meat Commission has alternative sources of finance for its major project. As we have said in paragraph 45 we recognize the necessity of providing a market for low-grade African cattle which the Meat Commission would be unable to accept as fresh meat and we recommend the allocation of the original £50,000 as an interest-free loan to enable the Meat Commission to establish a canning factory on terms to be negotiated with the Government as part of the policy of building up a sound meat industry and in particular of disposing of surplus stock.

(14) *Reserve for final adjustments*	8,175
Total	**£1,674,810**
Less savings ...	**£424,810**
Additional allocation recommended ...	**£1,250,000**

52. We do not consider it necessary to make any comments on the schemes already approved, which will continue to be carried out within the approved scheme values from the balance of the money remaining from the 1946–50 allocations, except in connexion with the Reconditioning of African Areas and African Settlement. Some comment on this allocation is necessary both because the expenditure contemplated—which amounts to £1,584,000—represents approximately two-thirds of the amount to be spent on existing schemes and also because we wish to make clear what our proposals are for the expenditure of what is in effect a block vote.

53. The provision made in the Development Committee Report for this allocation was £3,000,000 of which approximately £1,049,000 was spent up to the end of 1950. In paragraph 50 we stated that savings of

£424,810 had been found from Development Committee allocations and subsequent additions to add to the new allocation of £1,250,000. The bulk of these savings, in fact approximately £367,000, has been found from the Reconditioning of African Areas and African Settlement vote. We should like to make it quite clear that this has been done not because we consider that the other projects are necessarily of more importance than the Reconditioning of African Areas and African Settlement but rather because we feel that the expenditure which we have recommended for this vote is all that can be usefully spent within the next five years. Should our estimate of the funds which can be spent prove conservative then we recommend that the position be re-examined.

54. Our proposals for the expenditure of the £1,584,000 which we recommend for the reconditioning of African areas and African settlement during 1951–55 are as follows:—

	£
(*a*) Continuation of African Settlement approved schemes and staff commitments	487,000
(*b*) Tsetse Survey Reclamation and Control	350,000
(*c*) Anti-tsetse bush clearing plant	40,000
(*d*) Schemes recommended by the African Settlement Board for the years 1951-55	447,000
(*e*) Reserve for Schemes at present under initial consideration by the African Settlement Board ...	260,000
Total ...	£1,584,000

The £260,000 included at (*e*) above is intended for schemes such as the Flood Irrigation Scheme Turkana and the Shimba Hills Scheme fo the resettlement of the Teita.

55. We consider that in a vote of this magnitude which covers a wide variety of schemes it is desirable to retain as much flexibility as possible. We therefore recommend that the Member for Agriculture be at liberty to submit proposals for schemes under this Head and be permitted to put these into operation subject to the approval of the Development and Reconstruction Authority and provided that the total allocation under the vote will not thereby be exceeded.

56. The following table gives an estimate of the additional annua recurrent charges which are expected to arise by 1956 if the proposal for expenditure outlined above are adopted:—

A.—Staff and Other Charges.

Scheme	*Recurrent Expenditure*	*Revenue*
	£	£
Soil Conservation	234,000	50,000
Reconditioning of African Areas and African Settlement—		
(*a*) Settlement Schemes ...	40,000	
(*b*) Tsetse Survey and Control	40,000	
Maintenance of fencing on stock routes	1,750	
Livestock Improvement and Veterinary Development ...	6,000	6,000
Agricultural Research Scheme	28,000	
Veterinary Research Station, Naivasha	13,700	8,000
	£363,450	64,000
B.—Building Maintenance Charges	9,000	
	372,450	
Less additional revenue ...	64,000	
Net additional annual recurrent expenditure, 1956	£308,450	

57. These estimates are not affected by our recommendation that such staff and other charges as may be regarded as permanent should be taken over progressively by the Colony. The effect of our recommendation is merely that the additional recurrent expense will be more evenly spread out and is therefore less likely to cause any financial embarrassment to the Colony.

58. In paragraph 51 (4) we suggested that the production of biologicals should if possible be self-supporting. The same principle applies of course to other services such as the Artificial Insemination Scheme and the establishment of holding grounds, for these schemes provide special facilities for certain sections of the community. We should like here to make a general recommendation that where schemes provide such special facilities they should as far as possible be made self-supporting and that charges levied should bear as close a relationship as is practicable with the cost of the services provided. In this way some contribution, however small, can be made by those who benefit towards the cost of the additional recurrent burdens falling on the Colony.

59. Finally, we wish to emphasize the close relationship of the agricultural and veterinary plans and the importance of the fullest collaboration and co-operation between these two departments and the Administration, if the best results are to be achieved from their efforts to preserve, restore and develop the farming lands of Kenya. It is a joint enterprise, this development of the land of Kenya, and requires the collaboration of all concerned.

Chapter III—Forestry

60. The Development Committee attached great importance to the conservation and development of the Colony's Forest Estate, a national asset which it recommended should be developed progressively. It considered that a planting programme of 6,000 acres per annum would provide an adequate margin to meet potential increases in the demand for timber. We agree with the Development Committee's view as to the importance of the Colony's Forest Estate, and we are glad to be able to record that the figure of 6,000 acres per annum has been exceeded substantially.

61. The Development Committee recommended that the capital expenditure incurred in the development of the Forest Estate should be met from the Forest Replanting and Development Fund. This fund was established during the war and into it were paid forest revenues in excess of £50,000 per annum. The excess was caused largely by wartime sales of timber. The Committee recommended that the arrangement whereby revenue in excess of £50,000 per annum was paid into the fund should cease at the end of 1947 and that after that date the full cost of the Forest Department, including expenditure on development but excluding the special capital expenditure to be financed from the fund, should be met by the Colony and not by the Development and Reconstruction Authority. In accordance with that recommendation the fund was closed at the end of 1947, and the Forest development staff were transferred from the estimates of the Development and Reconstruction Authority to those of the Colony. It should be noted that the amount of the fund exceeded expectations and that when it was closed it had reached a total of approximately £539,400, which is £139,400 more than was estimated by the Development Committee.

62. The whole question of the future development of the Forest Estate has been examined by a committee appointed in March, 1950, under the chairmanship of Mr. W. E. Hiley. The report of this committee, which makes recommendations for the development of the Forest Estate, the financing of such development and the organization required to undertake it, is at present being considered by the Government. These recommendations are briefly that a Forest Commission should be set up to carry out forest development, financed by means of a forest fund into which would be paid the proceeds of all forest revenue. In view of these recommendations, and particularly the fact that if they are accepted forest development will be self-financing, we have not

thought it necessary at this stage to recommend any further allocation. We do recommend, however, that the additional £139,400 which has accrued to the Forest Replanting and Development Fund should be placed at the disposal of the organization it is eventually decided to set up.

63. The following is a financial summary of the position with regard to forest development:—

	£	£
Development Committee Report provision—		
(*a*) Capital expenditure from Forest Replanting and Development Fund	400,000	
(*b*) Recurrent expenditure from Kenya development funds	59,000	
		459,000
Further additions to Forest Replanting and Development Fund		139,400
		£598,400
Estimated expenditure to 31st December, 1950		223,000
Balance of 1946–50 allocations		£375,400

64. Whilst we do not wish to enter into a review of forest policy we should like to point to the importance of the forestry planting programme in absorbing excess population and relieving the pressure on land elsewhere. For this reason alone an expansion of the forest planting programme is desirable. We suggest that one of the best methods of financing such an expansion would be by an increase in the scale of royalties. We have noted that an examination of this possibility is already being undertaken.

65. Finally, we emphasize again the importance of the Forest Estate as a national asset and record our opinion that expenditure on the development of this estate is one of the best long-term investments which the Colony can make. We recommend that when decisions have been reached by the Government as to the most suitable organization for the development of the forest potential it is ensured that adequate finances are available for this important aspect of development.

Chapter IV—Water Development

66. It is no exaggeration to say that on adequate water supplies largely depends the difference between prosperity and poverty and between abundance and famine in primitive African conditions. Consequently we agree with the view of the Development Committee that the proper development of the water resources of the Colony should be

regarded as a first priority in the same category as the proper utilization of the soil and forests. Indeed, so closely is the proper development of the land (including agriculture, animal husbandry and forestry) bound up with the question of water supplies that to obtain a full picture of the funds which we recommend should be devoted to the full development of the Colony's natural resources, this chapter should be read in conjunction with the chapters on agricultural and veterinary services and on forests.

67. The Development Committee recommended that a Water Resources Board and Catchment Area Boards should be established in order to secure the effective development of water resources. Pending the enactment of the new Water Bill these authorities have been set up by administrative action and are functioning. They will become statutory bodies with executive powers in addition to their advisory functions to the Member when the Bill becomes law.

68. The Development Committee further recommended that the Water Division of the Public Works Department, under a technical Head, should operate under the ægis of the Member for Agriculture. This recommendation has also been adopted.

69. The Development Committee made an allocation of £1,220,000 from the Kenya Development and Reconstruction Fund for the following purposes: —

	£
The Dixey Scheme	485,000
Other schemes to be financed from the Kenya allocation of the Colonial Development and Welfare Vote	540,000
Township Water Supplies	150,000
Hydraulic Staff	45,000
	£1,220,000

In addition, £1 million of the £2 million estimated to be available for self-reimbursing loans was set aside for water development and a sum of £58,436 was to be found for a hydrographic survey from the Central Research Allocation of the Colonial Development and Welfare Vote.

70. It soon became apparent that the sums allocated for Township Water Supplies would be quite inadequate, and the programme under this head was expanded by a total of £351,000 in the 1949 and 1950 Estimates with the approval of the Legislative Council. In this connexion we would point out that these water supplies taken individually will nearly all prove economic, and in any case will be economic as a whole.

71. In view of the great importance of the proper development of the Colony's water resources, and of the benefits which can be expected to accrue to the agricultural industry in particular, and to the Colony in general, from wisely planned and well-executed works, it is disappointing to find that, owing to difficulties in the way of obtaining the necessary plant and materials and in recruiting suitable technical staff, the progress made so far has been comparatively slow. We understand that the situation, particularly with regard to materials, has improved recently, but we cannot overlook the fact that the present world situation may cause a further deterioration. Staff problems, however, continue to be difficult and, although we have been informed that most strenuous efforts are being made to recruit the required technical officers, we would stress the importance of not slackening these efforts.

72. We understand that the Member for Agriculture and the Water Resources Authority are anxious to obtain the maximum flexibility in the use of the funds devoted to water development in order to be able to take advantage of every opportunity for making progress. Flexibility is particularly desirable having regard to the difficulties of plant, materials and staff, which may mean that one scheme may be able to go ahead speedily whilst another may be delayed or postponed. Whilst therefore, in reaching our conclusions as to the amounts which ought to be allocated for water development, we have taken a large number of individual schemes into consideration, we recommend that the funds which can be made available for water development should be allocated under the following block Heads:—

(1) Township Water Supplies;

(2) Rural Water Supplies;

(3) Mombasa Water Supply; and

(4) Loans to Local Authorities.

73. Before we proceed to discuss these block allocations in detail we wish to make some general observations regarding the position of local authorities in the matter of water development. It will be unnecessary repeatedly to emphasize the importance of taking full advantage of every means at our disposal to facilitate this important work. Obviously the amount which can be achieved by direct Government intervention and financed from central revenues is limited. A number of local authorities, led by the City of Nairobi, are already constructing, operating and financing their own water supplies in accordance with their several abilities. We welcome this addition to the development which can be undertaken by the Central Government, and generally speaking we feel that, to secure the greatest possible development of our water resources, local authorities should be encouraged to undertake more and more in so far as they are financially able to bear the costs, and technically and administratively capable of operating their own supplies. Quite apart from the fact that we hope that this will lead

to considerable expansion in the total finances available for water development, we attach great importance to harnessing the interest and enthusiasm of the local people to this important aspect of development.

74. It is necessary to make two exceptions to this recommendation. In some cases, for example at Thika, it may be desirable for special purposes, such as the encouragement of industrial development, to instal a supply of a greater capacity than is justified by present demand and on a scale which could hardly be suitably managed and financed by a small local authority. The second case is that of the Mombasa Water Supply where, although the authority is well able to finance and operate a water supply capable of meeting the immediate needs of the town, the scheme proposed is of such magnitude that the local authority is unlikely to be able to finance it, and assistance must be sought through the Central Government.

(1) *Township Water Supplies*

75. With regard to Township Water Supplies we have already indicated in paragraph 70 that the original provision of £150,000 has since been supplemented by a further £351,000 making a total allocation of £501,000. Although it is estimated that only approximately £184,300 of this allocation has been spent up to the end of December, 1950, it will be appreciated that schemes cannot be begun unless there are sufficient funds in sight to complete them, and that a good deal of the balance is earmarked for approved schemes—including the major one of Nanyuki, estimated to cost £130,000. In addition it is proposed to undertake major schemes at Thika and Kitale which are tentatively estimated to cost £300,000 and £90,000 respectively. We, therefore, recommend an additional allocation of £375,000 which, we understand, will be sufficient to carry out approved projects and the further projects mentioned above, leaving an unallocated sum of approximately £80,000 for new projects which may be necessary.

76. As we have said, we recommend that local authorities should take over and operate their water supplies whenever they are in a position to do so. In the meantime where these services are operated by the Government—either because the local authority is not sufficiently developed or because there are special reasons for Government control—we recommend that the charges for water supplies should be placed at a level sufficient to cover both operational and renewal costs. We recommend further that the Member for Agriculture be invited to make a review of the financial arrangements under which existing township water supplies operate in order to ensure compliance with the principle we have advocated.

(2) *Rural Water Development*

77. The Development Committee made an allocation of £540,000 for schemes to be financed from the Colonial Development and Welfare

Vote other than the Dixey Scheme and a special allocation of £485,000 for the Dixey Scheme. The schemes to be financed from the allocation of £540,000 are set out on page 86 of the Development Committee Report. In making the allocations the Development Committee recognized that the funds provided would probably be inadequate, particularly with regard to the schemes for boring and well-sinking in African areas, the piping of small tapering streams and dams and for excavated tanks and the development of rock catchments. This has proved to be the case and we understand that the Member for Agriculture would wish to supplement the funds under these heads from the additional amounts we recommend. We do not, however, propose to allocate sums to individual schemes as we consider that this vote is one which should have the maximum flexibility.

78. Under this head we also include the Dixey Scheme. We have mentioned in paragraph 71 the difficulties of materials and staff which have hampered the progress of water supply schemes generally. Here we refer to another difficulty—the lack of sufficient administrative and technical staff to operate effective grazing control, which is fundamental to this particular scheme. We consider that an examination should be made of the additional permanent staff which will be required in relation to the Colony's capacity to bear the recurrent charges and that the Dixey Scheme should be reviewed in the light of this examination and adjusted to the numbers of such staff which it is possible to provide. We would add that we attach great importance to the Dixey Scheme and recommend that it be pressed forward with expedition and vigour.

79. It is estimated that up to the end of 1950 £207,000 had been spent on Colonial Development and Welfare Schemes and only £20,000 on the Dixey Scheme. There are therefore balances of £333,000 and £465,000 to be carried forward into the 1951–55 period. Although these sums are large we consider that the development of rural water supplies is one of the most important aspects of development and we recommend that a further £360,000 be provided to be utilized for the expansion of the schemes financed from the Kenya allocation of the Colonial Development and Welfare Vote and for such other schemes as the Development and Reconstruction Authority with the advice of the Member for Agriculture may consider necessary.

80. We have considered whether a total of £1,158,000 can physically be spent under this vote during 1951–55 and although we cannot foresee whether and when staff and materials difficulties are likely to be resolved we believe that water development in rural areas, including the Northern Province, will proceed much more swiftly in the future than in the past. Should it not be possible to spend the sums allocated for this purpose before 1956 we recommend that the position be reviewed with the object of deciding whether any of the funds should be reallocated to other Water Development or to other services under the control of the Member for Agriculture.

(3) *The Mombasa Water Supply*

81. In paragraph 22 we indicated the need to treat the Mombasa Water Supply as a special issue on account of the magnitude of the finances required. We do not doubt the necessity or urgency of putting into operation a scheme to provide Mombasa with additional water supplies. Nevertheless it is not possible to commence a scheme of this size unless the necessary finance is in view.

82. In our interim report we provisionally earmarked £1,000,000 for the Mombasa Water Supply, which was as much as we could spare having regard to the other important pressing demands. We now recommend only an allocation of £522,000, the existing scheme value of the Interim Investigations and Extensions, for which no provision has yet been made. It was originally intended that all expenditure on these schemes should be recovered from whatever authority was established to take over responsibility for the Mombasa Water Supply, but we consider that it would be unreasonable to saddle such an authority with these minor schemes, on which approximately £158,000 has already been spent and many of which will become redundant if the major scheme is put into operation. For the reasons given in paragraph 22, we make no special allocation for the major scheme which is estimated to cost approximately £5 million. We recommend that all possible sources of finance which might be suitable be examined and that if the necessary finance becomes available the scheme be pressed forward as rapidly as possible. Should it not be possible to find funds of the magnitude required outside the development moneys already in view it will be necessary to make some reallocation of funds.

83. The estimate of £5 million for the major scheme is based on a detailed examination and costing by the Hydraulic Branch of the Public Works Department of one of the most favourable schemes recommended by the firm of Consulting Engineers which undertook a preliminary examination of this project. It includes not only the finance necessary for capital construction but also that part of the interest charges which will have to be capitalized during the early years when the scheme will not be fully economic.

(4) *Loans to Local Authorities*

84. The Development Committee allocated £1,000,000 for self-reimbursing loans to local authorities to enable them to construct their own water supplies. This allocation was based on the estimated needs of Nairobi, Nakuru, Kisumu and Eldoret. The requirements of Nairobi, which were estimated to constitute three-quarters of the total are, however, being met by loan moneys raised independently by the Nairobi City Council. The balance should, therefore, be more than adequate to meet the needs of the other authorities concerned even having regard to increased costs and expanding needs. In view of this we recommend that

the £1 million for Water Supplies should be combined with the Development Committee provision of £800,000 for Miscellaneous Loans and made a block allocation to be disbursed to local authorities for approved schemes in accordance with existing legislation and on the recommendation of the Member for Education, Health and Local Government.

85. We make further mention of the allocation for Loans to Local Authorities in Chapter XIV.

86. Finally we should like to refer to the Hydrographic Survey which is being financed from the Central Research allocation of the Colonial Development and Welfare Vote. It is now estimated that the scheme will cost £35,000 more than was originally provided. The question of obtaining a supplementary grant from the Central Research Allocation of the Colonial Development and Welfare Vote is under examination but we understand that the funds still unallocated by the Colonial Office are now very limited and it may be that it will not be possible to obtain further funds from this source. This is, however, a most important aspect of the plan, for the success of individual schemes depends largely on the availability of the necessary hydrographic information. We therefore propose to make an allocation of £35,000 which should be reduced by whatever supplementary grant may be obtained from the Central Research allocation.

87. The additional annual recurrent expenditure and revenue arising by 1956 from the adoption of these plans are estimated to be as follows:—

	Gross additional recurrent expenditure £	*Additional revenue* £
Township Water Supplies	60,000	66,000
The Dixey Scheme	30,000	
Other Colonial Development and Welfare Schemes	21,000	
Hydraulic Staff	6,500	
	£117,500	
Less additional revenue	66,000	
Net additional recurrent expenditure ...	£51,500	

As indicated in paragraph 78 the Dixey Scheme will require more administrative and technical staff than originally envisaged. The figure of £30,000, which does not allow for such additional staff, is therefore subject to review.

88. The following financial tables give a summary of our recommendations in respect of Water Development:—

A.—Allocations from the Kenya Development and Reconstruction Fund

Sub-head	D.C.R. Provision and further approved expansion	Estimated Unspent balances of 1946-50 allocations	Additional Allocations now recommended	Total proposed Spending 1951-55
	£	£	£	£
Township Water Supplies ..	501,000	316,700	375,000	691,700
Rural Water Development	1,025,000	798,000	360,000	1,158,000
Mombasa Water Supply (Interim Investigations and Extensions)	—	(*a*) (–158,200)	522,000	363,800
(*b*) Hydraulic Staff	45,000	45,000	—	—
(*c*) Hydrographic Survey ..	—	—	35,000	35,000
Unallocated ..	—	—	25,000	25,000
	£1,571,000	1,001,500	1,317,000	2,273,500
	Less savings under Hydraulic Staff		45,000	
	Additional allocation recommended		£1,272,000	

B.—The Mombasa Water Supply (Major Project)

£5 million to be provided outside the development moneys already in view.

C.—Self-reimbursing Loans to Local Authorities

Loans to local authorities to be provided from the block allocation for self-reimbursing loans for schemes which are approved on the recommendation of the Member for Education, Health and Local Government.

(*a*) It was originally intended that all expenditure on these schemes should be recovered from whatever authority is established to take over responsibility for the Mombasa Water Supply. No allocation was therefore made for these projects on which it is estimated that £158,200 has been spent up to the end of 1950.

(*b*) The provision made for Hydraulic Staff by the Development Committee has not been used, as the cost of Hydraulic Staff has been charged to works in accordance with agreed practice. The sum of £45,000 is therefore available for reallocation.

(*c*) Hitherto financed entirely by a grant from the Central Research Allocation of the Colonial Development and Welfare Vote.

Chapter V—Mines, Geology and Surveys

89. By development of the land, under which heading we have grouped the chapters in Part I, we mean not only the development of agriculture and animal husbandry, forests and water resources, but also the investigation and exploitation of mineral resources and the survey of our land surface. Although we make no specific recommendations regarding additional allocations for mines, geology and surveys, we do not wish to give the impression that these aspects of development are being neglected or that no expenditure is being incurred on them. In fact the comprehensive geological survey recommended in the strongest terms by the Development Committee is now under way, largely financed out of the Central Research allocation of the Colonial Development and Welfare Vote, whilst funds have been voted from revenue for a programme of survey development which started in the latter part of 1949.

(1) *Mines and Geology*

90. With regard to the Geological Survey, approval was given in 1948 for a scheme designed to cover an eight-year period, towards the first five years of which a free grant of £116,500 was made from the Central Research allocation of the Colonial Development and Welfare Vote. The grant has since been increased to approximately £119,000. The aim is eventually to survey the whole country area by area, each of which will be covered by a geological map and report. Owing to difficulties in recruiting staff, the scheme did not start until well on in 1949 so that it is only now getting into its stride. Surveys are at present proceeding on the Coast, in the Central area and in Western Kenya, both in the Nyanza District and Trans Nzoia.

91. Fundamental geological surveys of the type being undertaken cannot be expected to produce results for some time, for after the purely physical survey considerable laboratory work is necessary before a report can be furnished. And practical results such as the opening up of new areas by mining enterprise may take many years. So far no economic discoveries of a major nature have been made although it may be said that gold, asbestos, chromite and kyanite deposits which promise well have been investigated.

92. The first stage of the scheme as originally planned is due to be completed at the end of 1952, but we understand that, in view of the delay in starting, application will be made for an extension of the period of this stage and for further funds for the second stage should these be necessary.

93. In addition to the Geological Survey special surveys are at present being undertaken by three American geologists, whose salaries are paid out of Economic Co-operation Administration funds and their

other charges from the Central Research allocation of the Colonial Development and Welfare Vote. These geologists are engaged on work for which they are specially qualified, such as the survey of potentially oil-bearing country in the north-east of Kenya and the survey of strategic minerals such as kyanite, graphite, coal and chromite which are required for stockpiling purposes. These specialized surveys are likely to be of great value in the development of the mineral resources of the Colony.

(2) *Surveys*

94. No provision was made by the Development Committee for a Survey Development programme. Much, however, remains to be done on the cadastral side whilst a geodetic survey of the whole Colony to link up with surveys made in other territories is a desirable project. A scheme was prepared in 1948 for a geodetic survey but it was subsequently decided that on the grounds of cost and staff difficulties this could not be contemplated whilst such great arrears existed on the cadastral side. A new programme, which concentrates mainly on cadastral work and on the training of survey staff, is now being put into operation. It is being financed from special contributions from revenue made in 1949 and 1950. Under this programme it is proposed to spend approximately £84,900 during the period 1951–55 on—

(*a*) the employment of private surveyors on contract to help to overtake the arrears of Government surveys;

(*b*) the erection of a Survey Field Headquarters, including staff quarters, roads and a water supply; and

(*c*) equipment.

95. In addition to the purely survey work which it undertakes the Survey Department has a map section which is at present completing a series of new maps based on data supplied by the air survey undertaken by the Directorate of Colonial Surveys.

96. The following is a financial summary of the Survey Development programme:—

	£
Contributions from revenue to the Survey Development Programme	123,000
Estimated expenditure to 31st December, 1950 ...	38,100
Balance of 1946–50 allocations and total proposed spending 1951–55	£84,900

Part II—Development of Communications

Chapter VI—Roads

97. One of the most intractable problems which faces us in Kenya to-day is the provision of adequate roads. With one or two exceptions the main roads are at present incapable of carrying efficiently and in all weathers the present volume of traffic, let alone the increase to be expected from development. The public outcry for better roads is vehement and insistent. The cost to road users, and thereby to the Colony, from the wear and tear upon vehicles must be enormous.

98. The need for an adequate system of communications and transport is manifest. As we have already said, little mineral wealth has so far been discovered in Kenya, and the Colony's economic future appears to be dependent upon a healthy development of its agriculture and natural resources, and upon secondary industry based largely on them, including of course residential settlement and the tourist trade. For all this, reasonably adequate communications and transport facilities are essential.

99. Although the main transport system of the Colony is the railway and the bulk of the territory's imports and exports together with a considerable volume of internal traffic moves by this means, there is at present no firm prospect of important railway developments in Kenya so far as the construction of new lines is concerned.

100. Any extension of the communications system therefore is largely dependent on road and, to a lesser extent, air transport. Good roads are vital if the development of the Colony is to be maintained and increased. They are equally important for the purposes of good administration and defence.

101. The problem is complicated not only by the distances involved but also by terrain and climate. The road system has to cover vast distances and to pass over considerable heights. It has to contend with climatic extremes which vary from long droughts to sudden tropical downpours. And the geological formation is such that for the most part roads are difficult to construct and maintain, and good road-making materials are scarce.

102. Since 1943 not only has the number of vehicles using the roads trebled, but we understand that the average use made of the roads by each vehicle has increased. In addition, modern motor transport tends to become heavier and to move faster. For reasons into which we need not enter here it has not been possible to increase the capital and recurrent expenditure on roads in proportion to the increase in the amount of traffic using the roads. As recorded in our interim report, we made a provisional allocation of £2,000,000 for road communications. This allocation, which was for capital construction and reconstruction,

was determined not so much by the road needs, which indeed we reco
nized were far in excess of this figure, as by the amount which we fe
at the time could be made available within the total, having regard t
other pressing requirements.

103. A road construction and reconstruction programme, based c
this allocation, was drawn up by the Road Engineer and considered b
the Central Roads and Traffic Board and by the Interim Roa
Authority (which was set up pending the constitution of the Roa
Authority proper). All were aware of the severe restrictions placed c
such a programme by this limitation of funds and it was appreciate
that any programme which could be drawn up within these limits cou
not be expected to effect a satisfactory improvement in the road syster
as the Colony would be fighting a losing battle against the increasir
demands being made upon the road system by modern transport.

104. We have given very careful consideration to this problem ar
aspect of development. We are firmly of the opinion that a better roa
system is vital to pave the way for more rapid development. It
evident that wherever suitable areas have been opened up by we
planned and adequate roads development has followed almost aut
matically and very rapidly. We believe that the first and fundament
step is to construct a satisfactory primary network, having regard
traffic densities and the desirability of development. At the same tir
we recognize that whilst this is being done the secondary netwo
cannot be neglected.

105. We have examined a long-term plan prepared by the Ro
Engineer for the improvement of the Colony's main roads. This pl
falls conveniently into three five-year phases and would, in our vie
provide a realistic programme for the improvement of our main roa
in accordance with modern standards. To carry out a programme
this nature £5,000,000 would be required for the first five-year pha
We learn that an application for assistance, to the extent of appro
mately £2½ million, towards such a programme has been submitted
the Economic Co-operation Administration. Pending the examinati
of the Road Engineer's plan by the Road Authority we do not wi
to commit that Authority to any particular plan, but we are of t
opinion that the Road Engineer's plan forms a reasonable basis f
assessing the funds which ought to be made available for the impro
ment of the Colony's primary network during the next five years. V
recommend therefore that a total sum of £2½ million should be p
vided from Kenya funds for this purpose and that the Road Author
should be invited to draw up a suitable programme for approval.

106. If the assistance sought from the Economic Co-operati
Administration should not be forthcoming, then we see no alternati
but to spread the programme over a longer period.

107. As we have said, the secondary network cannot be neglect
whilst the primary network is being reconstructed. The municipalit

are faced with an equally formidable increase in the traffic using municipal thoroughfares. The Nairobi main street system is already seriously congested and much of it is being maintained, we are informed, on an inadequate standard. Moreover, under the Municipalities Ordinance the Road Authority is statutorily liable for grants of 50 per cent towards the construction of main roads, the standards of which are approved. It does not follow that grants from the Road Authority under the Ordinance will automatically increase over the next five years in the same proportion as the needs of the primary network, but in view of certain special commitments, such as a contribution towards the construction of the East African Highway and the likelihood of other road works qualifying for grants, we consider that it would be prudent to anticipate that further provision will be required for assistance to municipalities, and we recommend that a total of £425,000 should be earmarked for this purpose.

108. We also recommend that an allocation of £750,000 should be provided for the overall programme of road reconstruction and improvement in the district council areas, both European and African. This sum represents a fairly large contribution from central funds towards the construction and improvement of roads which are the responsibility of local authorities. Hitherto, many local authorities have constructed and maintained the roads under their control entirely from funds provided from this source. We draw attention to the fact that the amount of money which can be made available from central revenues towards local needs is of necessity strictly limited; this no doubt is a matter to which the Road Authority will give early consideration.

109. We also draw attention to the fact that local authorities may apply for loans for the purposes of road construction from the allocation Loans to Local Authorities.

110. Another important problem is the question of adequate road communications between Mombasa Island and the mainland. Both the Nyali Bridge and the Likoni Ferry have been the subject of a good deal of public criticism from time to time. Although they have provided much-needed links, neither can be regarded as entirely satisfactory from the point of view of present-day traffic demands and they are likely to become progressively less so in the future. There is no doubt that better communications would greatly assist and encourage development on the Island and on the Coast mainland. We are not in a position to decide exactly what is the best means of meeting this problem. The question of a new bridge or bridges or an improved ferry require careful examination by experts. There is no doubt that the cost of providing what is required will be heavy and we recommend that a sum of £500,000 be earmarked for the improvement of communications between the Island and the mainland. We appreciate that this amount may not be sufficient to do more than meet the cost of the link with the north. Nevertheless, it is a large sum in relation to the total funds we have

been able to allocate for roads and for other purposes. If it is all required for the northern link, then there appears to us to be no alternative but for the solution of the problem of the southern link to be deferred until further funds are available.

111. We feel that we must draw attention to the magnitude of the cost of these links which will fall upon Central Government funds. It is a natural assumption that at any rate the link with the north mainland which can be provided by a bridge will be free of tolls since, if the cost can be met, there are great advantages to be gained from free access. But, in view of the extremely large sums which still have to be found if the recommendations which we are making are to be carried out, we feel that we should be neglecting our duty if we did not recommend at least that the question of those who stand to benefit directly from this link making some contribution towards it should be examined. Having regard to the very great direct benefit to the Island we are also of opinion that a contribution towards its cost by the Municipality of Mombasa should be considered.

112. It is impossible to estimate accurately what additional recurrent costs on maintenance will arise if the funds which we recommend for road construction are spent. This depends on such factors as the mileage of bitumen roads to be constructed, traffic densities, the loss of surface material on earth and gravel roads and, of course, the standards of maintenance adopted. The amounts provided for road maintenance in the Colony's estimates in recent years have had to be increased rapidly not only on account of rising costs but also on account of better standards of maintenance. But the optimum standard has not yet been reached and funds which have been provided in the past have been conditioned more by the finance which could be made available than by the actual needs of maintenance.

113. We are informed that such funds as it may be decided to devote to the construction of bitumen roads will not entail increased recurrent expenditure during the first seven to ten years, although thereafter substantial expenditure on the wearing surface will be required. In the meantime all indications are that if gravel and earth roads are to be kept in good condition the maintenance expenditure per mile will have to be increased. We make no detailed estimate of such increases as so many factors are involved, but we believe that there is likely to be a need for a progressive increase in the overall road maintenance vote in the next five years.

114. The cost of such increases will not fall directly on the Colony but will require to be met out of the funds at the disposal of the Road Authority, funds which are derived from specific sources and are limited by the annual yield from these sources. If the Authority is to construct and maintain roads of the standard the public demands, then the public must expect to face increased charges on those items of revenue which are earmarked for the Road Authority. These increased charges must,

however, be considered against the savings which will arise to the public from more economic transport and against the additional revenue which the Colony may derive from increased development.

115. The annual maintenance costs of a bridge to link Mombasa with the north mainland would depend on the type of bridge to be constructed, but are likely to be in the region of £4,000.

116. The following table gives a summary of the proposed programme on road communications during the next five years. It includes an expenditure of approximately £210,000 on those parts of the Great North Road which are financed from the interterritorial allocation of the Colonial Development and Welfare Vote:—

	£
Primary Road Network	5,000,000
Grants to Municipalities	425,000
Grants to European and African District Councils ...	750,000
Communications Mombasa/Mainland	500,000
Estimated total expenditure 1951–55 ...	£6,675,000

Towards the cost of this programme it is expected that the following funds may be available:—

	£
Economic Co-operation Administration assistance ...	2,500,000
Balance of Great North Road allocation	210,000
	£2,710,000

There remains a sum of £3,965,000 to be met from Kenya funds, of which somewhat less than £100,000 is available from the balance of 1946–50 allocations and £300,000 is provided as a special contribution from revenue in 1951. We therefore recommend an allocation from Kenya funds of £3,600,000, which includes the sum of £2,000,000 allocated provisionally in the interim report, to enable a programme of the scope outlined above to be undertaken during the period 1951–55.

117. In conclusion, we should like to draw attention to two points. The first is that the Development Committee, in contrast to its recommendations in most other fields, only made provision so far as roads were concerned for the first half of the development period, i.e. 1946 to 1950. That partly explains why we have now had to make so large an allocation. The second is that we have recommended a very substantial allocation for roads because we consider that a figure of this order is required in order to make an appreciable improvement in the system. We have referred to the fact that in many fields of development we

can do no more than attempt to keep pace with developments already taking place. By improving communications, on the other hand, we believe that a real impetus can be given to further development which should result in the strengthening of the Colony's economy.

Chapter VII—Airfields

118. The Development Committee expressed the view that in regard to international air transport it was not necessary for the Colony to make additional facilities available from its own resources or from the Colony's or the interterritorial share of the Colonial Development and Welfare Vote. The Development Committee therefore confined its inquiry to local air transport, recommending a block allocation of £40,000 for the improvement of local airfields on an austere basis. Practically the whole of this allocation is now exhausted.

119. We considered that it would be necessary to augment the funds available for local airfields, and in our interim report we made a provisional allocation of £100,000 for this purpose, of which we recommended that £26,500 should be provided in 1951 to supplement the balance of funds then estimated to remain at the end of 1950 out of the Development Committee's allocation. We have since had an opportunity of reviewing the overall requirements for local airfields and consider that further provision of £47,600 is required to cater adequately for their needs. The main reason for the additional £47,600 is a sum of £42,100 required to purchase buildings and fixed assets at Port Reitz and other places. These buildings and fixed assets were provided during the war by the Air Ministry and the Admiralty and are no longer required for service purposes but are essential for civil aviation.

120. We have come to the conclusion that in addition to the requirements for local airfields some funds must be set aside for a new main airport. It is now generally agreed that Eastleigh is not a desirable site from many points of view. Not only is it difficult to extend the runway sufficiently but the approaches are unsatisfactory. And the necessity of safeguarding the funnels of approach not only retards the development of the industrial area, but is likely to involve the payment of considerable sums in compensation. In addition a large area of valuable land, urgently required for building and other purposes, is sterilized.

121. The alternative to Eastleigh is the establishment of a new airport at Embakasi. No firm quotation is available for this, but it has been estimated that a sum of the order of £1,500,000 would be required. Should it be decided to proceed with this scheme a detailed survey of the project and of the funds necessary to carry it out will have to be made. It is clear that the Colony is not in a position to provide a capital sum of the magnitude required in addition to meeting the commitments with which it is faced for other services. We understand, however, that the Government would be prepared to devote to this project the sums

realized by the sale of the Crown land at present occupied by the Eastleigh site. On the assumption that His Majesty's Government would make a contribution, and also perhaps the Nairobi City Council, the shortfall is estimated at £250,000. We have therefore considered it desirable to earmark this sum towards the cost of a new main airport.

122. The following is a summary of our recommendations regarding airfields:—

	£
Revised estimate of funds required for projects to be carried out in 1951	35,200
Payments for buildings and fixed assets to be acquired at Port Reitz, Kisumu, Nanyuki and Voi ...	42,100
Improvements to existing aerodromes, including Isiolo and Garissa	36,700
New aerodromes and landing strips	13,600
Improvements to aerodromes in the Northern Province other than Isiolo and Garissa	20,000
Contribution to the cost of a new main airport ...	250,000
	£397,600

Towards this approximately £10,000 is available from the 1946–50 allocation, leaving £387,600 to be found from a new allocation. We therefore recommend a new allocation of £390,000, bringing the total proposed expenditure for the years 1951–55 to a round figure of £400,000.

123. It is estimated that the net increase in recurrent expenditure arising out of the capital expenditure outlined above will not exceed £6,000 by 1956 excluding the recurrent costs of maintaining an international trunk route airport which are tentatively estimated at about £50,000. Against this recurrent increase of £50,000 additional landing fees of the order of £16,000 may be expected.

Part III—Development of Manpower

Chapter VIII—Health and Hospital Services

124. In our chapter on education we shall point out that practically all the expenditure we recommend is in respect of virtual commitments. This is not the case in regard to medical services where the expenditure of public funds can be more easily expanded or contracted. Nevertheless, quite apart from the moral obligation of the Government to provide a minimum standard of health and hospital services, there is great advantage to be gained by the expansion of those services which are particularly designed to improve the calibre of the Colony's manpower and thus assist in solving the problem of the comparative inefficiency of

our labour force. For this reason we are in full agreement with the view of the Development Committee that from a development point of view the most substantial dividends are yielded by a concentration of resources on preventive rather than curative medical services.

125. We also agree with the priorities established by the Development Committee which are—

(i) the provision of health centres;

(ii) the expansion of training establishments for hospital staff;

(iii) the improvement of existing hospitals by the provision of adequate facilities for the proper fulfilment of the functions of the hospitals; and

(iv) the completion of hospital programmes already authorized or begun.

It is necessary, however, to attach one qualification to these priorities. They indicate the order in which in our view additional medical services should be provided, but they must be subject to existing services being reasonably adequate for their purposes. In many cases existing services are inadequate and in such cases, for obvious reasons, it may not be possible to adhere strictly to these priorities.

126. We recommend that the Medical Department should press forward its policy of establishing health centres, for it is upon the development of these centres, from which the preventive services will work outwards, that the improvement of the health of the African community chiefly depends. It is most important that the funds available for health centres should be made to go as far as possible and, with this object, we recommend that the Government's programme should be confined to establishing health centres to be associated with district hospitals and a demonstration sub-centre in each district, leaving to local initiative through the African District Councils the responsibility of providing funds for further sub-centres. In this connexion we are pleased to note that the Member proposes that a substantial part of the funds for housing, for which we make a special allocation, should be used for housing at health centres.

127. We also recommend the continuation of the policy of financing anti-malarial schemes by a combination of free grants and loans to local authorities.

128. Secondly, we stress the importance of expanding training centres for which provision of £70,000 was made in the original Development Committee Report but little of which has yet been spent. We recommend that the Development and Reconstruction Authority should give as high a priority as possible to these projects.

129. With regard to the third and fourth priorities of the Development Committee we realize that a great deal more money could usefully

be spent than we find it possible to recommend. We therefore recommend that the money to be provided for these purposes, should be applied to the most urgent projects such as the improvement of existing hospitals, the completion of the Group Hospital, the replacement of the Nairobi Infectious Diseases Hospital, the establishment of institutions for tuberculosis and leprosy and the provision of a new hospital at Mombasa.

130. Before we discuss the individual schemes in the plan we should like to devote some space to an explanation of the accepted medical policy with regard to curative services upon which our plan is based.

131. It will be apparent that there can be no question, at the present stage of economic development in Kenya, of the provision of state medical services of the kind which even advanced countries find difficulty in financing. Whilst, therefore, the Government will continue to provide such state preventive services as can be afforded, it proposes to confine its responsibility on the curative side to providing a minimum standard of hospital accommodation. Any community which desires to achieve a higher standard, either quantitative or qualitative, will have to provide that standard mainly through individual effort (by way of higher fees) or by community effort (by way of public subscription), together with the maintenance of its own services, by which is meant management and control as well as the provision of the greater part of the recurrent costs. In order to encourage communities to achieve higher standards the Government may be expected to provide some assistance towards meeting recurrent costs, as has been done in the case of the European Hospital Services Scheme.

132. Under the European Hospital Services Scheme the management and control of European hospitals in the Colony have gradually been taken over by properly constituted management bodies. We commend this scheme not merely because of its achievements for a particular community but principally because, in the words of the Select Committee which reviewed the working of the European Hospital Authority, "any achievement of progress by the part must tend to inspire the whole to greater effort". We therefore hope that the Asian community will find it possible to introduce similar schemes.

133. We welcome the formation of a European Hospital Association in Nairobi, which is shortly to undertake the construction of the European section of the Group Hospital partly with funds raised by public subscription and partly with funds provided from the Development and Reconstruction Fund and from the revenues of the Colony. This project derives from the policy outlined above that higher standards will have to be provided largely by the efforts of the communities which desire these standards.

134. We understand that where the Government is satisfied that there is a genuine need and that a community is able and willing to

maintain its services it will continue this policy of financial assistance for approved projects, subject to general financial considerations, by including capital grants-in-aid in the Colony budget for the consideration of the Legislature. For this reason no provision has been made for such capital grants in the additional allocations we recommend.

135. So far as the African community is concerned we recognize that, at the present stage, the Government will have to continue to provide what is in fact a State service of a basic nature but we understand that the Government has already introduced the fee-paying principle for services above this basic standard and it is to be hoped that the African community will be willing to accept an extension of this principle to help in the expansion of its curative services.

136. We recommend special provision for housing of medical staff, both for the purpose of catching up with arrears at existing hospitals and to supplement the funds provided for new schemes. We do not propose to allocate this money between individual projects, which we consider will be better done by the Development and Reconstruction Authority on the recommendation of the Member for Education, Health and Local Government. As we stated in paragraph 126 a substantial part of this allocation is to be devoted to housing at Health Centres.

137. The following table explains the financial proposals for the Medical and Hospital Services allocations:—

	£
Development Committee Report provision	847,000
Further approved expansion	383,600
	£1,230,600
Estimated expenditure to 31st December, 1950 ...	420,000
Balance of 1946–50 allocations	810,600
Additional allocation now proposed	700,000
Total proposed spending 1951–55	£1,510,600

Of the amount of £1,510,600 it is proposed to spend £789,753 on existing schemes within the present approved scheme values and the balance of £720,847, composed of the new allocation of £700,000 together with savings from the Development Committee Report allocation and subsequent additions, will be devoted mainly to increasing the scheme values of existing projects in accordance with the policies outlined in this chapter.

138. The following notes give a brief description of the revised schemes which will be met from the sum of £720,847 referred to

above and in some cases make specific recommendations with regard to these schemes:—

£

(1) *Improvements to Existing Hospitals* 28,000

It is estimated that at the end of 1950 a sum of approximately £105,000 remained to be carried forward from the original allocation of £190,000 made by the Development Committee for improvements to existing hospitals. To this balance we recommend that a sum of £28,000 be added giving a programme of £133,000 during the next five years. We understand that the Member proposes to add to this total a substantial allocation from the additional funds for housing which we recommend below at (12). We do not propose to recommend the sub-allocation of the funds to be spent on the improvement of existing hospitals but we understand that the purposes for which the Member intends to use these funds are as follows, arranged in order of importance:—

(*a*) housing;

(*b*) medical ancillary services (e.g. operating theatres, X-ray facilities);

(*c*) additional isolation and mental beds;

(*d*) domestic ancillaries (e.g. sanitation, kitchens, laundries and stores); and

(*e*) additional general beds.

With this order of importance we are in general agreement.

(2) *Completion of Group Hospital* 192,000

The provision made for the Group Hospital by the Development Committee was £250,000 but additional allocations amounting to £106,000 were subsequently made in 1947 and 1948 out of special contributions from Revenue. The African section, now known as the King George VI Hospital, is almost complete and has been built entirely from these funds. The Asian section should be completed in 1952, whilst the European Hospital is to be started in 1951 under the auspices of the European Hospital Association. It will not be possible to construct the non-African sections purely from Government funds which we recommend should be augmented by £192,000 and we are glad to note that a sum of £60,000 is to be provided for the Asian section from the Ismail

Rahimtulla Waljee Trust and that the European Hospital Association has undertaken to raise £104,000 by public subscription of which over £40,000 has already been raised. In addition, in February of this year the Legislature accepted a proposal that the Government loans of £34,000 and £70,000 provided for the Maia Carberry and Princess Elizabeth Hospitals should be turned into free grants progressively as the funds raised by public subscription increase. £

(3) *Nairobi Infectious Diseases Hospital* 125,000

For some years it has been obvious that the Nairobi Infectious Diseases Hospital must be removed from the middle of the industrial area both on medical and economic grounds. A scheme was prepared for a new building costing approximately £210,000, but in view of other urgent demands it has been found necessary to reduce this to £125,000. It has been possible to do this without emasculating the scheme by effecting economies in accommodation as a result of therapeutic advances in the out-patients' department of venereal diseases and by siting the new building in the vicinity of the Group Hospital.

(4) *Tuberculosis Institute* 39,000

The original development programme provided only £12,500 for an African Tuberculosis Clinical Institute and £5,000 for additional accommodation for tubercular patients at the Infectious Diseases Hospitals at Nairobi and Mombasa, although the importance of providing adequate facilities for the treatment of this disease was recognized. In 1948 a survey of tuberculosis in Kenya was made, which for the first time provided accurate information on the scope and magnitude of this problem.

Much as we should like to see better provision made for the hospital treatment of pulmonary tuberculosis we have been forced to recognize that the cost of hospital treatment on a comprehensive scale is beyond the financial capacity of the Colony. We have therefore, with regret, been compelled to recommend less expensive proposals which will not provide for the three hospitals which we are advised are required to meet the needs of the situation.

The funds which we recommend, together with the £17,500 provided in the Development Report and which have not yet been spent, would hardly suffice

£

to construct even one hospital. It so happens that the military authorities have recently offered for sale a hospital at Port Reitz which the Government's medical advisers consider can be suitably adapted for use as a tuberculosis hospital to cater for cases in the Coast Province.

The cost of this hospital together with the necessary alterations and provision of equipment is estimated to be £38,500. We consider that the Government should purchase this hospital, thus providing at a reasonable cost the first of the three hospitals which the Colony needs. In addition, we recommend that a sum of £18,000 should be spent on 30 beds for tuberculosis cases at the new infectious diseases hospital in Nairobi. This expenditure will provide some facilities for the treatment of up-country cases, although not all that could be desired. We regret that it has not been possible to provide for an up-country hospital in the five-year period, but we consider that the proposals now made offer the best short-term solution within the funds which can at present be made available.

(5) *Leprosy* 35,000

The Development Committee made token provision of £15,000 pending the report of an expert on the measures necessary to cope with this disease in Kenya. The report of the Interterritorial Leprologist recommends the establishment of provincial leprosy institutes. As with tuberculosis, we should like to have made a larger allocation for leprosy than we have been able to recommend, and in fact we received proposals for the establishment of three institutions. In view of the many competing medical and other demands for funds we are unable to recommend more than a sum of £35,000 which, together with the provision made by the Development Committee, will be sufficient to build the first of these institutes in Nyanza Province where the incidence of leprosy is highest. We fully realize that this provision does not bear a true relationship to the magnitude of the problem.

(6) *Mombasa Hospital* 65,000

The Mombasa Hospital is situated in the centre of the town on a very restricted site and the unsatisfactory nature of the institution has been a subject of

£

complaint for many years. We consider that it is essential that a new hospital should be built on a more suitable site and accordingly recommend provision of £65,000 to supplement the £55,000 provided for this purpose in the Development Committee Report and a further sum of £83,000 by which the original scheme value was expanded in 1949 with the approval of the Legislature. We understand that a donation of £7,000 has been promised for the provision of an Arab ward. We believe that this total of £210,000, together with an additional contribution from the special allocation for housing which we recommend at (12), will be sufficient to provide a new hospital with substantially the same accommodation as the existing one on a site which will leave room for further expansion should this be necessary and should funds be forthcoming.

(7) *Mombasa Infectious Diseases Hospital* 15,500

Our original intention was that this allocation should be used for alterations and improvements to the existing buildings at the Mombasa Infectious Diseases Hospital, but this course is likely to prove uneconomic. Yet the allocation would be insufficient to construct a hospital on a new site to replace the present temporary structures. We understand, however, that there is a possibility of converting for use as an infectious diseases hospital some part of the accommodation at the Port Reitz Hospital, which we have recommended should be purchased from the military authorities for the purpose of a tuberculosis hospital. We recommend that this possibility be thoroughly examined not only because this solution is likely to give the best value for the capital outlay but also because it is likely that economies in recurrent expenditure can be effected by bringing both projects under one administration.

(8) *African Hospital, Malindi* 2,500

A sum of £12,500 was provided by the Development Committee for this hospital. The hospital now to be constructed will be smaller and less elaborate than the building originally planned. Nevertheless, it is likely to cost more than the original project and a further allocation of £2,500 is necessary. The hospital is to be started in 1951.

£

(9) *Kitale Hospital Extensions* 747

This project is now complete and a small additional sum is required to cover expenditure in excess of the original estimate.

(10) *Hostels in Towns* 5,000

This is an entirely new scheme designed to relieve the pressure on hospital beds in towns. At present the discharge of patients from hospital is often delayed as there is no accommodation in which they can complete the final stages of their recuperation when attendance at the out-patients' department of the hospitals would suffice. The provision of £5,000 which we make for this purpose in no way reflects the importance we attach to this project. It seems to us to be a service for which local authorities or voluntary agencies ought to provide the bulk of the funds required and the provision we make should be regarded as sufficient only to establish one or two experimental hostels, or as a sum which can be drawn on for capital grants to local authorities or voluntary agencies of a proportion of the cost of such hostels.

(11) *Medical Research Laboratory—Animal House and Insectory* 2,100

A free grant of £6,000 was made from the Central Research allocation of the Colonial Development and Welfare Vote towards this project. The scheme value, however, amounted to £14,335 and the balance was provided from a block grant from revenue out of the 1948 surplus. It has recently been ascertained that the cost of this scheme, started in 1950, will exceed the figure of £14,335 by approximately £2,100 and we therefore recommend an allocation of this amount in order to enable the scheme to be completed.

(12) *Housing* 211,000

Our review of the proposals placed before us for Hospital and Health Services indicated that in many approved and revised schemes there was inadequate provision for the housing of staff. We therefore recommend that a special allocation be made to meet arrears of staff housing at existing hospitals and to provide adequate staff housing at the hospitals and institutes to be constructed during 1951–55. Although we understand that it is the intention of the Member for Education, Health and Local Government to use a substantial part of this allocation to catch up with arrears of housing at existing hospitals, and for housing at health centres and at the Mombasa Hospital, we do not wish to tie his hands and we have therefore decided to make this special allocation a block one to be reallocated by the Development and Reconstruction Authority to individual projects in accordance with their needs, and after consultation with the Member.

Total	£720,847
Less savings	£20,847
Additional allocation recommended ...	£700,000

139. The following is a summary of the additional annual recurrent expenditure likely to arise by 1956 from the expenditure of the new allocations we recommend and from the expenditure of the balance of funds in existing allocations:—

	£
A.—Staff and Other Charges	
Health Centres	25,000
Training Centres	10,000
Improvements to existing hospitals	25,000
Group Hospital	25,000
Nairobi Infectious Diseases Hospital	2,000
Tuberculosis Institute	13,000
Leprosy Institute	23,000
New hospital, Mombasa	10,000
Mombasa Infectious Diseases Hospital	1,000
African Hospital, Malindi	800
Mathari Mental Hospital, Kamiti	20,000
Medical Research Laboratory	600
	£155,400
B.—Building Maintenance Charges	£23,500
	£178,900

These figures are gross and take no account of any revenue which might accrue from the extension of the fee-paying principle in African services, nor do they take account of any recurrent assistance that might have to be paid towards community hospital schemes.

140. We do not propose to discuss in detail approved schemes which are being financed entirely from allocations already made and

not yet spent. But, before leaving the subject of health and hospital services, we wish to mention two schemes which are of primary importance. Firstly, we wish to stress once more the importance of the health centres scheme on which only about £4,000 has been spent up to the end of 1950 and for which £9,000 has been provided in 1951. We hope that it will be possible for this scheme to get into full stride in 1952 and 1953.

141. We should also like to refer to the training centres scheme. The retention of the original provision without addition despite rising costs has been made possible by some alteration of the scheme. It was originally envisaged that the Nairobi Training School would be the centre for all African staff in training. It has now been decided to make provision in the provinces for the training of midwives, health assistants, dressers and nurses, leaving the Nairobi school to train hospital assistants, compounders and laboratory assistants. Secondly, although the original plan made provision for dormitories for female trainees, it has been possible to omit this part of the scheme as accommodation for such trainees, who will be probationers, in Nairobi is being constructed as part of the Group Hospital Scheme. We have already recommended that the Development and Reconstruction Authority should give a high priority to training schemes. In amplification of this we would add that particular attention should be paid to the provincial aspect, for it is at the provincial hospitals that is to be undertaken the training of health assistants and midwives, dressers and nurses, who will form the backbone of the health centre scheme, which we regard as the first priority of the medical plan.

142. We are aware that the allocations which we have recommended fall short of the funds which it would be desirable to spend. They are, however, all that we consider can be afforded at the present stage of economic development of the Colony, having regard to commitments and to the needs of the services which will directly result in a strengthened economy, without which there can be no improvement of social services. And we consider that within these limits the funds we recommend will provide for a workable and balanced programme.

143. We recognize that much has been achieved in the past by local and community endeavour to supplement the services which the Government has been able to provide. We hope that these efforts will be continued and intensified because, in our view, it is upon such efforts that the expansion and improvement of medical services, particularly curative services, must mainly depend.

Chapter IX—Education

144. The provision for education requires some explanation, if only because our final recommendations exceed the provisional allocations we made in paragraph 7 of our interim report by no less than £2,280,000. Although we have exercised the strictest economy and have scrutinized

all requests rigorously against the background of the criteria mentioned in paragraph 4, our aim throughout has been to plan realistically, and we feel that we would be failing in our duty if we did not recommend what we consider to be at least reasonably adequate funds in order to meet the demands of the situation. We have recommended a substantial addition to the educational allocation because it has been made clear to us that no less a figure will provide a realistic plan to meet the implications of the Colony's present educational policies.

145. In Chapter I we drew attention to the fact that our discretion in planning future development was to a large extent limited by the inescapable need to find funds to remedy the lack of capital expenditure in the past and to catch up with the rapid and extensive development which had taken place during the last few years. Nowhere is this better illustrated than in the sphere of education, in which not only the magnitude of the allocation we have had to make for capital expenditure, but also the consequential recurrent expenditure which will ensue, have caused us grave concern.

146. We do not consider that it comes within our terms of reference to make fresh reviews of educational policy, and in particular to attempt to determine what the scope and content of education should be. That has recently been done largely by the Glancy, the Hartwell and the Beecher Committees, and the Colony is already committed in many respects by decisions taken in the Legislative Council. At the outset, therefore, we would explain that the expenditure now recommended is not to undertake some new and grandiose scheme of educational development which we as a Committee have conceived, but is the logical consequence of accepted policy. In other words, what we now recommend is no more than the minimum we consider to be necessary to give practical effect to decisions of the Legislature. Nearly all the expenditure proposed under this Head is in respect of virtual commitments.

147. Although the bulk of the expenditure is for commitments, we do not wish to give the impression that we have any doubts as to its desirability. On the contrary, in paragraph 5 we expressed our opinion that the development of our human resources could not be allowed to lag behind the development of our natural resources, if the fullest benefit were to be derived from the association of these two factors of production. We emphasized the great importance of improving the efficiency of labour and of increasing productivity by education, and in paragraph 40 we drew attention to the desirability of inculcating, by education, a proper appreciation of the grave issues at stake and of securing the co-operation of the population in measures designed to resolve them. We shall not enter into any exposition of the need for education on cultural or philosophical grounds, which in any progressive community speak for themselves. We would prefer to justify our allocations on practical grounds. Education provides the foundation on which higher standards of living and better practical skills can be

based. Expenditure on education, which provides this foundation, on which can be built the knowledge and skills required for production, can be regarded as essentially productive in an economic sense.

148. Our provision for European and Asian education is calculated on what we consider to be the minimum required to meet the essential needs of these communities, having regard to present policy, and especially to the compulsory education provisions. It is relevant here to point out that during the last five years the number of Asian pupils in Government schools has increased by no less than 101 per cent, whilst the number of European pupils has increased by 79 per cent. These figures reflect not only the steady natural increase in population of these communities, but also the rapid rate of immigration which has taken place since the war. The result is that existing accommodation is inadequate for essential needs.

149. In so far as African education is concerned, our recommendations provide the finance necessary to undertake the capital development recommended by the Beecher Committee, at the rate recommended by that Committee. In view of the need for enhancing the economic potential of the community, we welcome the emphasis which the Beecher Committee laid on a qualitative improvement in education. We hope that the African schools, by concentrating not so much on the imparting of literacy and theoretical knowledge as on character building and the practical skills, will turn out in future better-equipped citizens who will be able to play their part in raising the standard of living by increasing the national income from which it derives.

150. Whilst, as we have said, we do not consider it to be our function to review educational polices which have received such thorough examination and have been accepted, we note with approval the importance which the Government attaches to technical education and we should like to pay tribute to the foresight and imagination which have led to the scheme for the establishment of a technical college for all races. We include provision in our plan for this much-needed college, to the cost of which His Majesty's Government has agreed to make a free grant of £150,000 from the Colonial Development and Welfare Vote which will not be debited against the Kenya allocation of £3,500,000. In addition, the Uganda Government has undertaken to make a contribution of £100,000. It is a matter for satisfaction that His Majesty's Government and the Government of Uganda have taken such a close interest in and will give such generous assistance to this project which we feel certain will be of the greatest economic benefit to the Colony and to East Africa as a whole.

151. Large sums are required to carry out these educational policies, and we have considered whether there is any means of reducing the capital bill, but none of the proposals suggested, short of the revocation of the compulsory education provisions and the abandonment of already accepted educational policy, is likely to effect any substantial

saving. We do not think that these are practical solutions in Kenya at the present time, for there is not the slightest doubt that the demand for adequate educational facilities for Europeans and Asians, as well as for Africans, is overwhelming and that nothing in the nature of retrograde steps of this kind would be tolerated by public opinion. We would emphasize, therefore, that these present policies represent not only what the Government considers to be necessary but also the very minimum we believe the public would be prepared to accept.

152. Before we leave the question of capital expenditure, we would stress two points. The first is that it is vital that the strictest economy should be exercised in the execution of these plans, and especially that buildings should be of an austere and strictly utilitarian nature. The second is that the educational building programme will have to be phased so as to fit in with the general building programme. We make this point in order to avoid frustrations and disappointments, because when plans are accepted in principle there is a somewhat natural tendency on the part of the public to expect results immediately. It must be obvious to anyone who studies the magnitude of the building programme that it will be very difficult to complete it within the period, if we are to avoid placing too great a strain on the building organization and producing undesirable effects on the general economic structure. We would therefore sound a note of warning that it may be necessary to spread the educational building programme over a rather longer period.

153. We are concerned at the very great increase in recurrent costs which these educational plans will entail. Whilst we appreciate that the question of the level of fees has been thoroughly examined in recent years by the various Committees set up to consider educational policies, it will be appreciated that none of these Committees had before them the full picture of the total cost of education to the Colony. Nor was it their special function to consider how the bill should be met. We consider that in view of the very heavy recurrent bill which will fall upon the revenues of the Colony for salaries and running expenses, in addition to the large capital expenditure proposed, and particularly in view of the increase in prices and salaries which will affect both capital and recurrent costs, a further investigation should be undertaken in order to determine whether some adjustment of fees can be made. We realize that any contribution which can thus be made may not relieve the general taxpayer of the recurrent burden to any very substantial extent, but we attach great importance to bringing home to those who benefit from them the real cost of the services they receive, and to the principle that where services are provided the individuals who benefit should pay as much of the true cost as they can reasonably be expected to bear.

154. The following table summarizes the financial proposals for Education:—

	£
Development Committee Report provision	2,435,000
Further approved expansion	1,074,000
	£3,509,000
Estimated expenditure to 31st December, 1950 ...	2,228,100
Balance of 1946–50 allocations	1,280,900
Reallocation from Industrial Development Head of the Development Committee Report	50,000
Additional allocation now recommended	3,530,000
Total proposed spending, 1951–55	£4,860,900

The distribution of the new allocation of £3,530,000 is as follows:—

	£
European Education	939,000
Asian Education	1,039,000
African Education	1,162,000
Technical College	360,000
Special Schemes	30,000
	£3,530,000

155. In the following subdivisions of this chapter we deal in turn with each aspect of Education shown in the table above. As the whole educational programme has been recast in view of recent policy decisions we shall not only explain on what projects the additional allocations will be spent but also give some indication of the projects to be financed from the balance of the 1946–50 allocations:—

(1) EUROPEAN EDUCATION

156. The European education plan must be viewed against the background of the compulsory education legislation which imposes upon the Government an obligation to ensure that sufficient school places are available for children who are by law compelled to go to school. It must also not be forgotten that, whereas in other spheres of education we are providing mainly for Kenya requirements, in the field of European education this Colony caters also to a great extent for children from other East African territories, for there is an understanding that the Kenya Government will provide places for children from these territories in cases where they are unable to provide suitable facilities. A full reimbursement is received for the schooling of these children including

an element for capital costs, thereby reducing the capital burden on the Colony over a period of years.

157. The financial position with regard to the European allocation is as follows:—

	£
Development Committee Report provision and further approved expansion	1,563,800
Estimated expenditure to 31st December, 1950 ...	1,180,700
Balance of 1946–50 allocations	383,100
Additional allocation now recommended	939,000
Total proposed spending, 1951–55	£1,322,100

158. The programme which the Member proposes to carry out from the new allocation of £939,000 is shown below:—

	£
Completion of the Duke of York School	347,818
New Secondary School for Girls (first stage)	271,500
Prince of Wales School (laboratory block and workshops)	40,000
Grant to St. Mary's School, Nairobi	50,000
Completion of Nyeri Primary School	76,500
Completion of Kericho Primary School	85,000
Two new day Primary Schools, Nairobi	40,000
Nakuru (first stage of new Primary day School) ...	12,500
Mombasa (additional accommodation for primary day pupils)	10,000
Grant towards Kisumu Day School	2,000
Part shortfall in existing scheme values	3,682
	£939,000

159. The balance of the 1946–50 allocations will be used to complete the following existing schemes:—

Kenya Girls High School.
European Primary School, Eldoret.
The new European Day School in Caledonian Road, Nairobi.

160. Large as this programme is it is not in our view extravagant, being in accordance with current requirements and the estimated increase in enrolment in the next few years based on present trends. Nor does it include provision for all projects which are desirable. In particular it has not been possible to allocate funds for the replacement of a number of temporary buildings or for major grants-in-aid to any institutions other than St. Mary's School.

(2) ASIAN EDUCATION

(*a*) *Asian Education* (*excluding Arab*)

161. On the reasonable assumption that the present rate of increase in the number of Asian children of school-going age continues it would be quite impossible to cater for the needs of the Asian community by providing schools entirely from Government funds. For example it has been calculated that the construction by Government of the necessary primary schools alone would be not less than £1,100,000. Whilst, therefore, it is intended that secondary schools and special projects such as laboratories and domestic science accommodation should be provided by the Government, it is proposed that primary schools, except for schools which form part of the original development programme, should mainly be aided schools built by the Asian community with capital grants from the Government on a £ for £ basis. Obviously in the smaller centres such capital provision would impose an undue strain on the community and we therefore recommend that in such places Government should provide the necessary finance from Development and Reconstruction funds.

162. Had we confined our recommendations to the amounts provisionally allocated in the interim report it would not have been possible to provide any new primary schools from Government funds. Indeed, owing to the very great increase in the cost of materials it would have been necessary to abandon some of the primary schools which already form part of the original approved development programme. With the augmented allocation which we now recommend it will be possible to restore these projects to the plan.

163. The financial position with regard to the allocation for Asian education (excluding Arab education) is as follows: —

	£
Development Committee Report provision and further approved expansion	789,900
Estimated expenditure to 31st December, 1950 ...	404,900
Balance of 1946–50 allocations	385,000
Additional allocation now recommended	1,004,000
Total proposed spending, 1951–55	1,389,000

164. The programme which we recommend should be carried out from the new allocation of £1,004,000 is as follows:—

	£
*Three Primary Schools	138,000
*Secondary Modern School, Mombasa	50,000
Extensions Primary Mixed School, Kisumu	6,000
First stage Girls Secondary School, Kisumu	10,000
Laboratory Block, Kisumu	16,500
Primary School, Nakuru	33,000
Secondary School, Nakuru	13,000
Primary School, Eldoret	33,000
Extension to existing Primary School, Eldoret	5,000
Secondary School, Eldoret	18,000
Primary School, Kitale	17,500
Secondary Modern School, Nairobi	50,000
Housing of Asian teachers	100,000
Purchase of land, Mombasa	70,000
	£560,000
Capital grants-in-aid	444,000
	£1,004,000

165. The balance of the 1946–50 allocations, amounting to approximately £385,000, is to be spent on the following projects—

completion of schools under construction;

extensions to Government Indian High School, Nairobi;

laboratories and staff housing Allidina Visram High School, Mombasa;

domestic subjects block, Government Indian Girls School, Mombasa;

improvements to existing schools;

secondary Boys School;

domestic subjects centres,

the cost of which will amount to approximately £289,000. The remaining amount of £96,000 will be spent on grants-in-aid.

(b) *Arab Education*

166. The provision in the Development Committee Report for Arab education, together with subsequent additions, amounts to £94,500, of which approximately £41,300 had been spent up to the end of 1950. It is now proposed to make an additional allocation of £35,000, which

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* Part of the original Development Programme.

together with the balance of £53,200 remaining from the 1946–50 allocations will give a total figure of £88,200 for the next five years to be spent on the following projects: —

	£
Arab Girls School, Mombasa	34,000
Staff quarters, Arab Boys Secondary School, Mombasa	4,000
Staff housing, additional primary school accommodation in Mombasa and improvements to existing schools	50,200
Total proposed spending 1951–55 ...	£88,200

(c) *Mombasa Institute of Muslim Education*

167. The picture of educational development under the Asian group would be incomplete without some reference to the Mombasa Institute of Muslim Education. The first stage of this institute has been completed from funds provided by H.H. the Aga Khan, the Bohra Community and by His Majesty's Government through a free grant from the Colonial Development and Welfare Vote in favour of the Sultan of Zanzibar. The second stage is now due to start and will be financed mainly by a free grant of £100,000 from the Colonial Development and Welfare Vote which will not count against the Kenya Colonial Development and Welfare Vote allocation of £3,500,000 but will for convenience be made in favour of Kenya. The funds provided will therefore be accounted for through the Development and Reconstruction Authority estimates but, as no Kenya moneys are involved and as the institute is an independent and not a Government one, we have not included the expenditure to be incurred in the summary of our capital programme. The 1951 Estimates included a contribution of £12,000 towards the recurrent costs of this Institute. It is not expected that the capital expenditure to be incurred during 1951–55 will lead to any additional demands for recurrent assistance from Kenya.

(3) African Education

168. As we said in paragraph 146, we do not consider that it is within our terms of reference to make fresh reviews of educational policy and in particular to attempt to determine what the scope and content of education should be. Nor need we review the past and the various changes in educational policy and in plans which have been made with regard to African education. The Beecher Committee made an intensive and exhaustive review of the African educational problem and made recommendations which were in the main accepted by the Legislature. We now recommend that provision be made to carry out the first five years of the capital programme drawn up by the Beecher Committee at the rate proposed by that Committee. We have taken the first year of the Beecher programme as 1951. Although the Beecher Committee hoped

that the programme could be commenced in 1950, the report was not debated and accepted until August, 1950, and the rest of 1950 was occupied in making the preliminary arrangements necessary for a programme of this magnitude. We hope that as much as possible will be done in 1951, but it is already evident that it may not be possible to undertake the whole of the first year's programme during the current year. If that should prove to be the case the expenditure in subsequent years should, if possible, be stepped up accordingly.

169. In addition to the allocation which we recommend to enable the Beecher proposals to be carried out a sum of £89,000 is necessary for the completion of schemes already started under the previous Ten-year Plan, which has now been superseded by the Beecher Plan.

170. The funds required for the period 1951–55 are £1,457,000 for the Beecher programme and £89,000 for the completion of Ten-year Plan projects, i.e. a total of £1,546,000. The balance of the original Development Committee Report allocation and subsequent additions at the end of 1950 is estimated to be £384,000. We therefore recommend that a further allocation of £1,162,000 be made for African education.

171. The following table summarizes these financial proposals:—

	£
Development Committee Report provision and further expansion (includes building grants-in-aid and the agricultural schools and teacher-training centres at Embu and Maseno)	947,000
Estimated expenditure to 31st December, 1950 ...	563,000
Balance of 1946–50 allocations	384,000
Additional allocation now recommended	1,162,000
Total proposed spending 1951–55	£1,546,000

(4) TECHNICAL COLLEGE

172. The Development Committee was in favour of the building of a technical and commercial institute to provide facilities for all races to acquire the skill and technological outlook which the Committee considered was noticeably lacking in the majority of the population of the Colony. Since 1946 the problem has been examined thoroughly and following on the Willoughby Report, which was accepted by the Government, a scheme has been prepared for the building in Nairobi of a technical college to serve all races. We consider that a high priority should be given to the construction of this much-needed technical college and we recommend provision of £410,000 to meet the first phase of the scheme which it is hoped to complete during the 1951–55 period.

This sum is calculated as follows:—

	£
Provision for technical institute in the Industrial Development head of the Development Committee Report	50,000
Additional allocation now recommended	360,000
Total proposed spending 1951–55 ...	£410,000

173. It has recently been announced that His Majesty's Government will make a free grant of £150,000 towards the cost of the technical college whilst the Uganda Government has undertaken to make a contribution of £100,000. But even with this generous assistance, which has been included in the revenue in paragraph 21, a considerable sum remains to be found from the funds at the disposal of the Development and Reconstruction Authority.

(5) SPECIAL SCHEMES

174. No allocation was made by the Development Committee Report for special schemes. There is a need, however, for some provision to extend and improve the educational facilities at present provided for children of mixed parentage. We recommend that an allocation of £30,000 should be made for the following projects:—

	£
Grants-in-aid on £ for £ basis to White Sisters, Mangu	10,000
Permanent Central School, Nairobi	20,000
Total proposed spending 1951–55 ...	£30,000

(6) EDUCATION OF WOMEN AND GIRLS

175. The Development Committee made provision of approximately £113,800 for special projects in connexion with the education of women and girls. A Colonial Development and Welfare scheme was approved and is being put into operation. We make no recommendation for an additional allocation for this scheme; the funds already provided should be adequate.

(7) RECURRENT IMPLICATIONS

176. We have already stated in paragraph 153 that we are concerned at the very great increases in recurrent costs which the implementation of the educational plans will entail. We have, therefore, taken some trouble to get as accurate an estimate as possible of these increased recurrent costs and of how far they can be offset by increased revenue from fees at the current level.

177. The following table indicates the annual gross additional expenditure on staff and other charges, the increased revenue from fees and the net additional recurrent charges likely to arise by 1956 under the various sub-heads of Education if the plan we now recommend is fully carried out.

Sub-head	*Gross additional recurrent charges*	*Additional revenue*	*Net additional recurrent charges*
	£	£	£
European education	132,000	65,500	66,500
Asian education (including Arab)	290,000	20,100	269,900
African education	542,000	—	542,000
Technical College	42,550	7,500	35,050
Special schemes	9,250	250	9,000
Totals ..	£1,015,800	£93,350	£922,450

178. It will be noted from this table that the African Education sub-head shows no increase in revenue. This is not because none will be collected but because under the system recommended by the Beecher Committee the fees will not be paid into the Colony's revenues. The additional recurrent charges shown against African Education are in fact net figures. In accordance with the recommendations of the Beecher Committee all existing Government schools will be put under the management of Boards of Governors and financed through the Regional or District Education Boards which will receive and retain the fees paid. Government expenditure is therefore based on the difference between the revenue of the Boards from other sources and the total approved expenditure. It is, however, the intention of the Government to increase the scale of fees generally in African schools as proposed by the Beecher Committee and this, together with the extensions of educational facilities which will result from the carrying out of the Beecher programme, will increase fee revenue progressively. So, whilst the fee revenue accruing to the Government will disappear, the fees actually paid will reduce the amount of the Government subsidy per pupil.

179. In addition to the increased recurrent expenditure for staffing and running new schools, it is estimated that additional maintenance charges for new Government school buildings will amount to approximately £60,000. The total increased recurrent charges arising from development are thus likely to be £1,075,800 gross or £982,450 net.

180. It is important, particularly in a very large vote like the educational one, not to overlook the additional recurrent charges which will arise through the payment of annual increments to staff and from replacement of equipment, etc. It is a matter of some considerable difficulty to estimate these, but a recent review indicates that the increase by 1956 over the 1951 figures is likely to be slightly more than £300,000.

181. It will be obvious from the figures in paragraph 177 that every additional place provided in schools for each group by the capital programme we have proposed will automatically result in an increase in the recurrent charges to be borne by the Central Government. An examination of the expenditure and revenue from tuition in European and Asian secondary schools reveals that the fees actually charged represent varying percentages of the actual cost to the Education Department (according to the class in which the pupil is being taught and the type of school), the lowest figure being 26 per cent and the highest 50 per cent. The figure for African schools is estimated to be between 10 per cent and 15 per cent. There is also a considerable element of subsidization, though less than that for tuition, in the case of boarding for both Europeans and Africans in primary and secondary schools. We recognize that there is some justification for the State subsidizing the cost of primary tuition but we feel that where boarding facilities, both primary and secondary, are provided or where the State provides tuition outside its statutory obligations, the fees charged should bear a closer relationship to the true cost. We have not overlooked the desirability of the provision of assistance for the higher education of those who prove themselves fit to derive benefit from it but we suggest that this might take the form of State scholarships rather than remission of fees. We would commend these suggestions to whatever body is set up to undertaken the investigation into the scale of educational fees which we have recommended in paragraph 153.

Chapter X—Community Development

182. It will be noted that we have altered the title of this chapter from "Social Welfare, Information and Mass Education", as used by the Development Committee, to "Community Development". We have adopted this new title in order to fix attention on the fact that the provision which we recommend under this Head is intended to develop citizenship in its widest sense.

183. We are concerned here mainly with two aspects of the development of civic responsibility and the necessary administrative machinery to give effect to it. In the first place we recommend provision for certain improvements and expansion at the Jeanes School in order to facilitate the training which is being given there to all classes of administrative staff, and in particular to local government leaders and employees. We attach special importance to the courses which are being provided for African local government personnel. Indeed, we would go so far as to say that in our view the healthy political advance of this Colony will depend to a large extent upon our being able to build and to maintain a satisfactory foundation in local government.

184. Secondly, we are concerned with the social side of the community. No progressive State can afford to neglect its responsibility for promoting the welfare and the standard of living of its people. In the early days in this country the few simple wants of the African, in the event of circumstances like old age and sickness, were catered for to the extent then considered to be desirable by the indigenous tribal system. Quite apart, however, from the need to adjust this system to enable it to meet the ever-increasing and more exacting demands of modern times, the system itself in many cases is tending to disintegrate under the impact of Western civilization. We believe that the training which is being given at the Jeanes School to African leaders and staff can do much to meet this situation and to help the people concerned to adapt their existing tribal systems or to create, as the case may be, satisfactory new institutions and organizations capable of undertaking their responsibilities in this direction.

185. But official agencies are not enough. In more developed countries, such as the United Kingdom, official organizations undertaking these duties are supplemented with great advantage by voluntary agencies, inspired by the conscience and leadership of individuals with a high sense of civic responsibility and built up by the efforts of the community itself. In Africa where the spirit of mutual help is in danger of breaking down under the disintegrating influences of new social and economic forces in an individualist age, it is essential to create something to replace it. We cannot overstress the importance of creating and preserving the spirit of mutual help, and we hope that the precept and training being given at the Jeanes School will help to develop that spirit which is so necessary an element in any healthy community.

186. One of the functions of the Community Development Organization is the dissemination of information to the African about the aims and objects of Government policy and particularly about the measures being undertaken by the Government to develop the African areas. The success of these measures, as we have already stated in Chapter II, is dependent largely on the co-operation of the African peoples, which can only be expected if they have an understanding of the aims behind development plans. Whilst work of much value can be done in schools in the explanation of Government policy, such explanations in present conditions reach only a limited public and there is a great need for instance for the spreading of information, particularly by cinema and slide, which will bring home to the African cultivator an understanding of better farming practices.

187. The Development Committee devoted a good deal of space to Social Welfare, Information and Mass Education. We do not propose to enter into the details of the policy which has been adopted with

regard to these matters, which now come within the scope of Community Development. We would say, however, that we attach great importance to the training of African leaders, to the stimulation and encouragement of a sense of communal responsibility and social service, and to the dissemination of information to the widest possible African public.

188. No allocation was made for Community Development in our interim report in view of the needs of other services which appeared to be more pressing. We have since examined revised proposals and, for the reasons given, consider that our plan would be incomplete and inadequate without some provision for the continuation of Community Development. It is relevant here to point out that the Development Committee block allocation of £35,000 was in respect only of the first five-year period of the Development Programme. Approximately £24,800 is estimated to have been spent by the end of 1950.

189. The recommendations which we make fall under three distinct heads, i.e. Development at the Jeanes School, the Establishment of Community Centres, and Mobile Cinemas and Equipment.

(a) *Development at the Jeanes School*

The Jeanes School, which for a few years after the war functioned as a training school for ex-askaris, now caters mainly for civilians for whom it runs a wide range of courses. The most important of these courses, in our view, are those which train chiefs, local native councillors and officials and other prominent Africans in local government and civics. We consider it to be essential that this training should be carried out in suitable surroundings and that adequate facilities be provided for the training of those Africans who, as the present and future leaders of their community, have important responsibilities in the development of the African areas and will greatly influence the attitude of their people to Government policy. We have kept this aspect well in mind in considering the proposals for development at the Jeanes School.

The proposals for the Jeanes School submitted to us included provision for a water supply and roads, an assembly hall, a library, a common room, a handicraft room, a hostel for leading Africans and for the replacement of staff offices.

These are relatively high demands for a single established institution. However, we consider that it is important that as much as possible of this programme should be put into effect. It has been suggested that some assistance might be provided from outside sources. For example, we understand that there are funds available in the African War Memorial Fund and it seems to us that the hostel and the combined library and common room would make a most suitable war memorial.

We also believe that the trustees would consider sympathetically a proposal of this kind and we therefore recommend that they be approached. To supplement possible contributions from outside sources we recommend that a block allocation of £10,000 should be made to be used to the best advantage for some of the more urgent projects listed above.

(*b*) *Establishment of Community Centres*

This was one of the purposes for which the Development Committee made its allocation of £35,000. During the first five years the Community Development Organization has been concerned mainly with establishing such centres in African areas. One-third of the capital is provided by the Development and Reconstruction Authority, one-third by the African District Council and one-third by the local community.

This work will continue on a reduced scale, but there is also a need for community centres in settled areas and townships, such as those set up at Dundori and Ndaragwa, and we recommend that the Community Development Organization should concentrate on this aspect of the work during the period 1951–55.

We recommend that where local authorities are established in townships they should construct their community centres from Government loans. We also recommend that district councils should be accorded loan facilities but consider that in this case it may be desirable to provide part of the finance by way of a direct grant.

We recommend an allocation of £33,500 for the purpose of grants in African and settled areas.

(*c*) *Mobile Cinemas and Equipment*

We recommend that provision of £27,500 should be made for new mobile cinema units and for information equipment.

The increase in the number of mobile cinema units arises from the Report of the Committee of Inquiry into the Information Office, which recommended that each large district should have a separate unit. Under the scheme which we recommend only very large districts, such as the Nyanza districts, would have separate units. Other districts would share with adjoining districts.

The funds for information equipment are required for such items as wireless sets, public address equipment, film strip projectors, cine and photographic equipment.

We appreciate that in addition to those capital requirements replacements will be required for the existing mobile cinema units and for existing equipment. Such replacements, however, should be provided for in the Colony budget as the need arises in accordance with the usual practice.

190. The following is a summary of our proposals for the expenditure from development funds:—

	£
Block grant for development at Jeanes School	10,000
Establishment of community centres	33,500
Mobile cinemas and equipment	27,500
	£71,000

191. The additional annual recurrent charges which would fall to be met by the Colony by 1956 are estimated to amount to approximately £8,300 per annum as follows:—

	£
Staff, other charges and maintenance of mobile cinemas and equipment	7,900
Maintenance of buildings	400
	£8,300

Part IV—Development of Commerce and Secondary Industries

Chapter XI—The Provision of Facilities for Industry

192. The need to develop the Colony's commerce and industry requires no emphasis on our part. The paramount importance of the broadest possible expansion of our economy in order to increase the national income, and thereby to raise the standard of living, must be manifest. Our proposals for the development of the Colony's primary industry—agriculture and animal husbandry—are contained in Part I. We agree with the Development Committee that further industrial development is essential on three grounds—

(*a*) to increase the national income;

(*b*) as part of an integrated employment policy in order to relieve pressure on the land; and

(*c*) as a stabilizing factor in the economy of the Colony.

193. We agree also that, generally speaking and within certain limits, industry in this Colony must derive from the primary production of the country both agricultural and mineral. It will be noted that the policy of limited self-sufficiency to which reference was made in paragraph 39 should give an added incentive to industrial development. We will not take up space here by referring to all the recommendations made by the Development Committee to promote secondary industry. It will be sufficient to record that the majority of them have been carried out.

In particular, Industrial Licensing legislation has been enacted and is being operated. Statistical services are provided under the ægis of the High Commission, research facilities are provided by the East African Research Board, and the Kenya Power Board has been set up to promote and regulate the provision of electric power. It is encouraging to record that in recent years, particularly in Nairobi but also in other centres such as Mombasa, there has been a very welcome development of industry. We are naturally anxious to encourage this and to give it added incentive.

194. We have made specific recommendations in connexion with silo storage and the establishment of a meat cannery in Part I, but generally we agree with the Development Committee that the Government can best play its part in the further development of industry by bringing about favourable conditions and, for the most part, by leaving executive operation in the hands of private enterprise. We hold no doctrinaire views as to the desirability of direct State participation in industry. Even if it were decided that, in specific cases, such participation were desirable in Kenya, the extent to which the Government could do so is likely to be severely limited by the practical difficulties of raising the necessary capital apart from the lack of expert managerial and technical skill available to a Colonial Government of limited resources. As we have so frequently pointed out in this report, the shortage of funds at our disposal for capital investment has been the chief factor governing the recommendations we have been able to make. In spite of the exercise of the strictest economy, our recommendations in order to provide a realistic plan go well beyond the funds which are at present in sight, and there is no guarantee that it will be possible to carry out all of them.

195. On the other hand, there is much constructive private enterprise in Kenya and welcome evidence of private capital prepared to back it, given reasonable encouragement and favourable opportunities. It is in the firm belief that it is in this manner that the Government can make its greatest contribution towards the expansion of the Colony's industry that we have made our recommendations in connexion with communications, health services and education, without which a climate favourable to the growth of industry cannot be created.

196. A further aspect, which is basically important but more intangible, is the creation of confidence among the industrial community in the Government's policy of encouraging industry. We believe that much has been achieved in this sphere in the past few years by the establishment of a Board of Commerce and Industry in which the businessmen of the Colony co-operate with the Government in discussing industrial problems and in finding ways of resolving them.

197. Perhaps the most important direction in which the Government can assist the development of industry is by the provision of industrial sites. We shall refer in Part V to the desirability of constructing certain

new buildings, in order to release sites urgently required for the expansion of industry. Not only are sites required for offices and factories, they are also required for the accommodation of the managers and labour employed in new industry. In our view there is a pressing need for the development of Crown land. Whilst we should like to pay a tribute to the work which has already been done in this direction by the East African Railways and Harbours Administration, we consider that the time has now come when the Colony should play a more direct and effective part in such development. We have given some thought as to the most suitable organization required to undertake the development of this land. At the present time delays and difficulties arise partly from the fact that the full development of land is not the responsibility of one Department or even one Member. We feel that, to secure the best results, such development should be placed under one executive authority. It is also clear that considerable funds will be required for such things as roads and drains, water supplies, advertising the sites in places from which suitable capital is likely to be forthcoming and so on. We have come to the conclusion that the most suitable organization to undertake this task would be a corporation which would develop Crown lands set aside for industrial and ancillary purposes under the ægis of the Member for Commerce and Industry. We understand that the Member is now working out detailed proposals for such a corporation.

198. Pending the formulation of detailed proposals, it was not possible for us to determine the order of the funds required. We hope that if such a scheme is pushed ahead vigorously it should be possible to turn over the funds fairly rapidly. In the meantime we recommend that the £100,000 which we had earmarked in our interim report for industrial development should be added to the £50,000 recommended by the Development Committee for a Finance Corporation, and the total sum should be treated as a block allocation to be devoted to schemes to be approved by the Development and Reconstruction Authority on the recommendation of the Member. This allocation is also intended to cover the provision of adequate accommodation for the Weights and Measures Department, which now comes under the ægis of the Member for Commerce and Industry.

199. In making these suggestions we do not mean to imply that the proposal to establish a Government Finance Corporation should be abandoned, but experience so far indicates that, with the establishment of the Colonial Development Corporation and the setting up of finance corporations by the private banks the need for a Government Finance Corporation in the form originally contemplated has been reduced. We do, however, consider that adequate arrangements are necessary for the financing of pilot industrial plants and for public participation in industrial enterprises on suitable terms.

200. Although in reaching these recommendations we have been concerned chiefly with the need for sites for industrial purposes and

for housing staff connected with industry, the need for the development of sites for residential purposes must not be overlooked. There is at present no Government organization with the function of financing and undertaking the provision of services on Crown land suitable for residential purposes. The absence of such an organization and the fact that each case has to be dealt with *ad hoc* is a great handicap and tends to hamper development. We recommend that a separate section of the corporation to be entrusted with the development of industrial land should be set up for the specific purpose of developing residential sites other than those associated with the requirements of industry. For this we recommend that a further £100,000 should be set aside.

201. We hope that it will be possible to turn over rapidly the capital in these two accounts, although we appreciate that in the case of the funds provided for residential land the turnover may not be so speedy as in the case of the industrial allocation. We realize however that, despite a fairly rapid turnover, the funds we can recommend are not entirely adequate to cope with the problem and, if the present rate of development continues, are likely to become less so. We therefore recommend that an examination be made of the possibility of short-term borrowing from the banks in order to enable the work of industrial and residential development to be extended and expanded.

202. The following is a financial summary of our recommendations:—

Sub-head	D.C.R. provision	Balance of 1946–50 allocations	Additional allocations now recommended	Total proposed spending 1951–55
Capital for Government Development Corporation	50,000	(*a*)50,000	—	—
Development of Industrial sites and provision of financial assistance to Industry	—	—	100,000	150,000
Development of Residential sites	—	—	100,000	100,000
Technical and Commercial Institute	50,000	(*b*)50,000	—	—
Total .. £	100,000	100,000	200,000	250,000

(*a*) Balance carried to the allocation for the Development of Industrial Sites and the provision of financial assistance to industry.

(*b*) Transferred to the Education Head.

Chapter XII—Tourists and National Parks

203. We now turn to another direction in which it is possible to broaden the Colony's economy, by the development of the national parks and the tourist industry. The tourist industry contributes substantially towards the invisible exports which are such an important feature of the Colony's economy and, as the Development Committee pointed out, its importance is so widely appreciated in Kenya and so self-evident that special emphasis is hardly necessary. Closely bound up with the provision of facilities which will attract East African and overseas visitors to Kenya is the preservation of our wild life which, with our climate, is one of our most valuable assets and attractions. Quite apart from the economic benefits to be obtained from its wild life, the Colony has a duty to posterity to preserve it so far as is compatible with legitimate human requirements, for unless adequate steps are taken it will inevitably tend to disappear with development.

204. The Kenya National Parks Trust was set up in 1946 with the objects of preserving the Colony's flora and fauna and places of scientific and historic interest and of stimulating interest in such matters. A block allocation of £100,000 was made by the Development Committee for these purposes, together with a special allocation of £2,000 for the Ngong Circular Road. Since then the National Parks Trustees have been responsible for the development and management of national parks and more recently have undertaken the preservation of ancient monuments as well.

205. Apart from the capital assistance provided to the National Parks Trustees, the Colony has also given substantial assistance on the recurrent side. Early in 1950 a sum of £58,000 was voted on the recommendation of the Standing Finance Committee to cover the accumulated shortfall in past recurrent expenditure, and the 1950 and 1951 Estimates have included subventions of £30,000 towards the running expenses of national parks. An annual subvention of £1,900 is also made for the preservation of ancient monuments. Whilst we understand that it is the intention to continue to provide such assistance, we are informed that the Government attaches great importance to the development of direct sources of revenue by the national parks with the aim of covering recurrent expenditure at as early a date as possible. With this view we agree.

206. Mention should also be made of the East African Tourist Travel Association, which functions under the ægis of the High Commission and which receives an annual subvention from the Government. In 1951 provision was made in the Colony's Estimates for the production and distribution by the East African Tourist Travel Association of a poster devoted entirely to advertising Kenya as a tourist country.

207. Whilst we hope that the assistance provided to this organization by the Government will be continued, it is clear that care should be taken to avoid overlapping and the dissipation of effort through

several organizations undertaking similar functions. Subject to adequate supervision by the Member responsible, we consider that the Kenya National Parks Trust is the most suitable body not only for the development of the parks themselves but also for the promotion of most other measures designed to attract tourist traffic to Kenya. We have no doubt that the East African Tourist Travel Association may receive special capital grants from time to time for specific purposes, such as the production of the poster referred to above, but we consider that the allocations which we shall recommend should be administered by the National Parks Trustees, subject to the approval of schemes by the Member for Agriculture in consultation with the Member for Commerce and Industry.

208. The development of facilities for tourists falls conveniently into four parts—

(i) the provision of adequate general communications and transport and of good hotels and rest-houses;

(ii) the preservation of game and the improvement of communications in the national parks to enable tourists to travel without undue difficulty in these areas;

(iii) the preservation and restoration of historic buildings, ruins and sites of archæological interest; and

(iv) publicity measures designed to make known these facilities to the widest possible public.

209. The provision of adequate general communications needs no further explanation here and has been dealt with in our chapter on communications, whilst for the most part the provision of good hotels is better left to private enterprise wherever possible. The construction of rest-houses or *safari* lodges in remote areas is, however, an undertaking which may not be immediately attractive to private enterprise and which can be suitably carried out by the National Parks Trustees. We have examined a scheme for the establishment of a chain of *safari* lodges in the national parks. We approve this in principle, and the only question which remains is how much money can be made available. Almost any sum could be spent with advantage on a project of this kind, but unfortunately, of course, the total amount available for development is strictly limited and falls far short of what is required to meet all highly desirable schemes. We recommend therefore that with the money which can be made available the trustees should concentrate on those *safari* lodges which are likely to be of the most immediate economic benefit to the Colony. We have also examined proposals placed before us by the Member for Agriculture and the Member for Commerce and Industry for the development of communications in the national parks, for the development of archæological sites, the restoration and preservation of Fort Jesus and for tourist publicity.

210. With the exception of the proposals for Fort Jesus, we consider that there is substantial advantage in making block allocations, for some of these schemes have been presented to us in outline only.

A further reason is that we have not found it possible to recommend the full amounts requested for tourist traffic, and the Member may wish to review and amend his various schemes in the light of the capital finance available. Nevertheless, we consider that schemes specifically designed to attract tourists, such as the provision of *safari* lodges and the promotion of publicity, must have a high priority. We have therefore made our major allocation for such purposes. This amounts to £100,000, which is to be spent on such schemes as may be approved by the Member for Agriculture in consultation with the Member for Commerce and Industry. Our second block allocation, which amounts to £45,000 is made mainly in order to enable the National Parks Trustees to complete their capital programme in the national parks. Out of this allocation we recommend that not less than £8,000 should be devoted to the development or archæological sites likely to attract tourists.

211. Finally, we consider that the restoration and preservation of Fort Jesus, shortly to be vacated by the Prisons Department, and the establishment of a museum in the Fort, is a project of great importance. We feel sure it is one with which the public of the Colony would wish to be associated. Accordingly we recommend that an allocation of £10,000 should be made for this purpose on the understanding that additional funds will be raised by the National Parks Trustees by public subscription.

212. In recommending the allocation of these funds we realize that their expenditure will undoubtedly lead to additional recurrent commitments, but in the absence of detailed proposals we are unable to make any estimate of what these may be or of how far they can be covered by additional revenue. In view, however, of the importance to the Colony of knowing what additional recurrent burdens it may have to bear we recommend that before any expenditure likely to result in increased recurrent expenditure is authorized from these allocations the details should be submitted to the Member for Finance for Treasury sanction.

213. The following is a summary of our financial proposals regarding tourist traffic and national parks:—

Sub-head	D.C.R. provision	Balance of 1946–50 allocation	Additional allocations now recommended	Total proposed spending 1951–55
Tourist Traffic	No separate allocation	—	100,000	100,000
National Parks (including Ngong Circular Road and Archaeological sites)	102,000	44,000	45.000	89,000
Restoration and preservation of Fort Jesus ..	—	—	10,000	10,000
Total .. £	102,000	44,000	155,000	199,000

Part V—Development (General)

Chapter XIII—Buildings

214. We turn now to the section on buildings, other than the buildings included in plans to which special chapters have been devoted. This section has perhaps caused us more concern than any other, for in hardly any other field have the requests made to us been so pressing or so extensive.

215. We agree with the Development Committee that the Colony should avoid sterilizing in buildings funds which could be more advantageously employed in development, and that new buildings should not be constructed merely because the old ones are not as comfortable or convenient as they might be. We also agree that the building programme must be confined to "really urgent and essential" works and that construction should be to a standard that is adequate for the purpose in each case, without being too elaborate or expensive. We have given the closest scrutiny to all applications against a background of these considerations.

216. But experience has shown that the Development Committee underestimated to such an extent the amount of buildings required, in order not only to make good the lack of expenditure in the past but also to keep pace with the development taking place, that shortage of accommodation itself has become one of the most serious obstacles to development. As we have already said, proof of this is to be found in the fact that the first and most substantial additions which were made to the Development Committee's provisions were for buildings.

217. Not only was an almost complete halt called to the construction of office and housing accommodation during the war years, but capital expenditure during the twenties and thirties was inadequate to meet the needs of the country at that time. The result has been the piling up of vast arrears of building. It is no exaggeration to say that this accumulation from the past has proved a millstone round the neck of the Colony at the present time.

218. Money spent on building is sometimes regarded as unproductive but it is frequently forgotten that staff engaged upon, or in organizing, production cannot operate entirely in the open without any form of shelter from the elements; indeed, without adequate accomodation it has proved impossible even to recruit such staff. We do not suggest that the necessary accomodation should be either elaborate or costly, but there is a basic minimum which is required in order to permit services to be carried on and to allow reasonable efficiency. Moreover, it is false economy to house valuable plant and equipment, and essential records, in inadequate premises in which they are in danger and will merely deteriorate.

219. Another factor in the building problem is the need to replace existing and unsatisfactory buildings which occupy valuable sites. In

many instances these unsightly and dilapidated buildings are preventing much-needed development. It is often the case that the disposal of Crown land thus sterilized would do more than meet the cost of new buildings elsewhere. Examples of this are to be found in Nairobi in the police headquarters and Nairobi Prison, which occupy valuable sites in the industrial area and are preventing the expansion of industry, and the temporary wooden buildings in the City Square. Innumerable examples could be quoted elsewhere. In addition there will be no need for us to draw attention to the fact that the enforced renting of office and housing accommodation in many centres is not only uneconomic, but even results in competition with private enterprise and prevents its expansion.

220. We soon reached the conclusion that a considerable amount of building is not only highly desirable but urgent and, judged from the purely economic standpoint, clearly in the public interest. Our difficulty has been to decide whether the various projects concerned are "absolutely essential". On a strict and narrow interpretation of this criterion there is little doubt that many are not. For instance, it is not absolutely essential to build a new gaol at Mombasa. Fort Jesus could be made to do possibly for a few years more, even if parts of it are in danger of collapse and the standard of accommodation is below what ought to be tolerated in a civilized community. We could carry on without a new Corrective Training Centre for a few more years, but it would mean making no attempt to solve the vital problem of the "old lag" and thus neglecting what we are advised is one of the most important and urgent measures required to deal with the crime situation. If this problem is not tackled there is no doubt that much greater expenditure will be required under the Police Head.

221. It is quite clear that such a narrow interpretation is quite impracticable. Even if it were feasible, public opinion just would not tolerate the consequences. Our task has been to plan the proper development of this Colony having regard to all the circumstances. We consider that we should fail in that task if we did not recommend an adequate programme. Whilst therefore we feel that no useful purpose would be served by an unrealistic approach to the problem, or by making insufficient provision for what we recognize to be the Colony's needs under this Head, we consider it most important that any extravagance should be avoided and that the most austere standards should be adopted, so that the best possible use is made of the funds which can be made available. We recommend strongly that each project should be rigorously examined by the Development and Reconstruction Authority both from the point of view of its necessity and urgency and from the point of view of economy in plans before it is approved for actual construction.

222. Finally, as we have said, there is a pressing demand for nearly all the buildings which we have recommended. It will be obvious that

they cannot all be built immediately, however urgent the need may be. In order to employ the building organization fully and economically, to build as cheaply as possible and to avoid too great a disturbance of the general economy of the Colony, to which we have already referred, it will be necessary to spread the programme fairly evenly over the period. This is a matter which we recommend to the consideration of the Development and Reconstruction Authority. It will lead to disappointment on the part of many who urgently need new quarters, but it is of great importance.

223. The following paragraphs deal with the sub-heads under this section and give the background to the problems against which our proposals must be viewed.

(1) *Police Buildings*

224. The Development Committee could hardly have foreseen the increase in crime which took place at the end of the war, and which necessitated the reorganization and strengthening of our Police Force. The recurrent increases in the Colony's estimates during the past few years have been tremendous, but it is agreed on all sides that they have been necessary. The capital requirements of the Police Force provide an excellent example of the point we made in paragraph 9 of our Report, that much of the expenditure in the capital budget is necessary to keep pace with development. It was naturally not possible to wait until offices and houses for police staff had been constructed before increasing our police force to cope with the crime wave. The capital programme has therefore lagged behind the recruitment of staff.

225. During recent years the provision of £175,000 made by the Development Committee has been supplemented by a further £559,000, and in our interim report we recommended provision of £150,000 which will be sufficient to complete the programme. The following table summarizes the position:—

	£
Development Committee Report provision	175,000
Further approved expansion	559,000
Total approved to 31st December, 1950	734,000
Estimated expenditure to 31st December, 1950 ...	346,400
Balance of 1946–50 allocations	387,600
Allocation recommended in the interim report ...	150,000
Total proposed spending 1951–55	£537,600

226. We do not propose to go into the details of the schemes to be financed from the additional allocation which are mainly small projects throughout the Colony, or, with one exception, to discuss the projects

already approved which will be carried out from the balance of £387,600 remaining from the 1946–50 allocations.

227. We would, however, mention the main project to be financed from the balance of the allocations already approved. We refer to the Colony, Nairobi District and City Police Headquarters for which £200,000 have been earmarked. We have given due consideration to the question of the necessity for this headquarters and whether some saving could be made by accommodating it in the European Hospital when vacated, or by constructing a building only for the Nairobi District and City Police and the Central Police Station, leaving out for the present the Colony headquarters. We have come to the conclusion, however, that no real saving would be possible by adopting either of these measures, apart from the fact that they would not adequately meet the needs of the situation. We consider that the best and in the long run the most economical plan is to proceed with the approved scheme to erect this building in the City Square area. By including the Colony headquarters not only will greater co-ordination and efficiency be secured, but a most valuable piece of land in the industrial area, which will be vacated by the Colony police headquarters, will be available for sale to the best advantage. The implementation of this scheme will enable economies to be effected in the hiring charges incurred for accommodation for various branches of the police force at present scattered throughout the city.

(2) *Prison Buildings*

228. The problem of prison buildings is perhaps the one which caused us most concern, not only because of the gravity of the present position, but also because of the magnitude of the funds required to rectify the position. The back-log in prison requirements appears to us to be greater than for any other department. Virtually no building was done in the 'twenties and and 'thirties and only approximately half of the Development Committee Report allocation has so far been spent. At the end of the war most of the buildings were already inadequate and unsatisfactory. Since then the increase in the crime wave which led to the expansion of the police force and has resulted in more efficient administration of the law has nearly doubled the average prison population.

229. The proposals placed before us, and which in the main we have recommended, arise from two problems:—

(1) The necessity for replacing prisons which provide inadequate and unsatisfactory accommodation and are now out of date and dipalidated.

(2) The urgency of tackling the problem of the increase in crime from a preventive point of view by—

  (*a*) providing first offenders' prisons, which successfully segregate such persons from recidivists;

(*b*) providing a corrective training centre where recidivists can be taught a trade in the hope that they will not return to a life of crime on release.

230. The major project, to deal with the first problem, is at Mombasa where it has long been recognized that Fort Jesus is unsuitable, both from the point of view of accommodation and from the point of view of its situation in the middle of the town, quite apart from the desirability of preserving this historical relic and establishing it as a national museum. The approximate cost of the new prison and of a new detention camp, which is also required, is £180,000. There is also a great necessity for new prisons at Nakuru and Nyeri.

231. Within the second category comes the Corrective Training Centre, which is to be built at Kamiti Downs and which will provide accommodation for 600 recidivists. This building together with a new prison for other prisoners, a training school for subordinate prison staff and a detention camp is estimated to cost approximately £200,000. A first offenders' prison is required in North Nyanza where it is also proposed to build two approved schools.

232. We considered whether it would not be more economical and satisfactory to centralize recidivists in the Nairobi institution, thus reducing overheads and the amounts to be spent in the provinces, but we are convinced that, apart from the transport problem, there are strict limits to the size of any one institution.

233. The following is a summary of the financial proposals for prison buildings:—

	£
Development Committee Report provision	100,000
Estimated expenditure to 31st December, 1950 ...	53,800
Balance of original allocation	46,200
Additional allocation recommended	630,000
Total proposed spending 1951–55	£676,200

(3) *Judicial Buildings*

234. The final requirements of the law and order services are for the improvement of existing court houses and the construction of new court houses in which the administration of justice can be carried out efficiently and with reasonable dignity. Post-war conditions which led to the expansion of the police force and the prison service resulted also in the strengthening of the Judicial Department staff yet little has been done so far to provide adequate accommodation for the additional judges and resident magistrates. Here again we are struggling to keep pace with development.

235. The Development Committee made no separate allocation for judicial buildings and the court houses which have been constructed have been charged to the allocation for Government offices. We consider however that the needs of the Judicial Department are sufficiently urgent and important to justify a separate sub-head and accordingly in our interim report we created this sub-head with a provisional allocation of £20,000, which was intended to cover the cost of the construction of new court houses at Kisumu and Eldoret.

236. During the course of our re-examination of the departmental plans it has become apparent to us that the cost of those two projects is likely to be in the region of £30,000. Moreover, further court houses on a more modest scale are required at Kitale, Gilgil and Naivasha, whilst structural alterations are necessary in Nairobi and Mombasa. Taking all these requirements into consideration we have made an allocation of £60,000 for judicial buildings for the next five years.

(4) *Public Works Department*

237. The proposals under this sub-head fall naturally into three divisions:—

(*a*) Stores.
(*b*) Workshops.
(*c*) Offices.

238. It will be recollected that funds amounting to approximately £63,000 were provided from the 1948 surplus for the rebuilding of the Public Works Department central stores, which was recommended by the Commission of Inquiry into the Public Works Department. Provincial stores facilities, however, have not been improved since the inception of the development programme and are quite inadequate to cope with the demands made upon them. In many cases, particularly in the case of Kisumu and Mombasa, where the stores are situated in the middle of the town, the stores are not only inadequate and unsatisfactory but the present sites are too small and there is no room for expansion. Moreover, the present sites are extremely valuable. If the progress of the Development Programme is not to be delayed and development in the towns concerned impeded it will be necessary to remove these stores to larger and more suitable sites. The opportunity would be taken at the same time to arrange for railway sidings, the lack of which is at present a serious drawback. It is obvious that these stores and yards must be moved sooner or later. The longer the move is delayed the more expensive it will become. A decision must be taken and in our opinion it should be taken now.

239. Although the Public Works Department has acquired a large fleet of vehicles, tractors and much valuable machinery, there are no proper repair facilities outside Nairobi. To obviate the uneconomic and inconvenient process of moving such vehicles and machinery to Nairobi whenever there is a breakdown or the need for an overhaul, we recommend that divisional and sub-divisional mechanical workshops should be

established at the busiest centres. We further recommend that provision be made for mobile workshops which can operate from divisional headquarters and carry out repairs on the spot.

240. Our recommendations also include provision for four divisional woodworking shops. At present the only mechanical facilities available are at Nairobi and the divisions have to obtain their furniture centrally or to produce it by hand, which is uneconomical.

241. Post-war development has resulted in a great increase in the staff of the Public Works Department both on the Colony and on the Development and Reconstruction side. Unfortunately, however, the provision of office accommodation for new officers has not kept pace with the rate of expansion. Temporary expedients such as aluminium huts and timber shacks have been adopted to meet the more pressing needs, but many of the Public Works Department staff are still working in overcrowded and inconvenient accommodation which prevents efficiency and reduces output. We therefore recommend that reasonable provision be made for additional office accommodation.

242. In our interim report we recommended a provisional allocation of £100,000 for Public Works Department stores and yards. To carry out the programme which we now recommend, and of the necessity for which we are convinced, a further £150,000 will be required. The following is a summary of the financial implications of the proposals:—

	£
Development Committee Report provision and further approved expansion	235,500
Estimated expenditure to 31st December, 1950 ...	215,900
Balance of 1946–50 allocations	19,600
Additional allocation now recommended	250,000
Total proposed spending 1951–55	£269,600

243. The proposals outlined above do not meet all the requirements of the Colony. They are, however, in our opinion the minimum necessary for a programme consistent with efficiency. We would stress the point that the implementation of these proposals is calculated to lead to economies in the execution of works, the handling of stores, and in the maintenance of vehicles and plant.

(5) *Government Offices*

244. The Development Committee made an allocation of £74,000 for the Administration—new offices and improvements to existing offices. Subsequently the scope of this allocation was extended to cover all Government offices which did not fit into an individual plan and additions were made to the allocation both by contributions from revenue for specific projects and by an expansion of the programme against the

increased loan moneys expected. These additions were of course sanctioned by the Legislature.

The position reached by the end of 1950 was as follows:—

	£
Development Committee Report provision	74,000
Income Tax/Inland Revenue/Accountant General's offices	150,000
Administrative Buildings, Bungoma	6,100
Expansion of programme in the 1950 Estimates ...	83,000
	£313,100

245. In our interim report we recommended a provisional allocation of £48,000 which was mainly for the new district headquarters at Thomson's Falls. We noted, however, in our report that the Member for Finance had included in the draft estimates of the Colony a special contribution from revenue of £200,000, which we understood was to provide for the early construction of new Central Government offices. Since then the estimate for this new building has increased to £250,000, although the plan which provides for austere offices on a cellular pattern has not altered. It should be made clear that these new offices are designed to accommodate not only the present staff of the Secretariat but the staffs of all other Members at present accommodated in various buildings throughout the town. The other large project under this Head is the Accountant General/Audit offices. The present offices of the Accountant General's and Director of Audit's departments are not only inadequate for the staff but occupy part of the City Square site. In addition it is vitally important to construct a new strong-room to house the Currency Board funds.

246. The provision for Government Offices is one which it is desirable to consider as a block vote. It is difficult to foresee all the requirements, particularly in the districts where work can expand rapidly as the result of development. Taking this into account, however, with the major approved requirements and other foreseeable requirements we recommend an additional allocation of £200,000 for the next five years. The financial picture may be summarized as follows:—

	£
Development Committee Report provision and further approved expansion	313,100
Estimated expenditure to 31st December, 1950 ...	97,000
Balance of 1946–50 allocations	216,100
Special contribution from revenue, 1951	200,000
Additional allocation now recommended	200,000
Total proposed spending 1951–55 ...	£616,100

247. This is a large sum of money to spend on Government offices, but it will be appreciated that a large proportion will be required for projects such as the Central Government offices and the Accountant General/Audit offices. In addition funds have been earmarked for objects approved by the Legislature such as the new district headquarters at Thomson's Falls, whilst other urgent and essential schemes, such as a new Land Office and the removal of the Teita District headquarters from Voi to a new site in the area in which the Administration mainly works, must also be taken into account..

(6) *Legislative Council Chamber*

248. This project is one which does not fit easily into any of the general allocations proposed and is of such importance that we have decided to give it a special allocation. We do not propose to enter into the reasons for constructing suitable accommodation for the Legislature of the Colony since these are well known and the decision to proceed with the proposal was taken by the Legislative Council itself. In view of the decision of the Legislature to construct a chamber which will lend suitable dignity to the proceedings of this important body we have made provision for £150,000, which is the estimated cost of the building, furniture and equipment.

(7) *Northern Province Buildings*

249. No special allocation was made by the Development Committee for buildings in the Northern Province but £45,000 of the Development Committee Report allocation of £450,000 for the housing of all races was set aside for Northern Province buildings. This was done because there are advantages in having a separate allocation for this Province where the building organization of the Public Works Department seldom operates and where building operations normally are under the direct control and supervision of the Administration. An additional sum of £20,000 was provided from revenue in 1948 for these purposes and we now recommend a further £20,000, making a total of £85,000 for the ten-year period.

(8) *Staff Quarters*

250. In Chapter I of our report we pointed out that the Development Committee had seriously underestimated the housing requirements of all races and we referred to the considerable additions which have been made since then. Most of the funds voted for European and Asian staff housing had been expended by the end of 1950 and in our interim report we recommended that a sum of £177,000 should be provided in 1951 to supplement the balance remaining from previous allocations. Also in our interim report we noted that sufficient provision was available from the African Staff Housing allocation to enable a modest programme of construction to be undertaken during 1951.

251. The provisional allocation which we included in the Buildings allocation of our interim report for staff housing of all races was £650,000, which includes the £177,000 voted for European and Asian staff housing in 1951. Despite the considerable sums already spent on staff housing the Colony has not yet by any means caught up with arrears. We have therefore come to the conclusion that to meet present needs and provide for some reasonable expansion in the future we should make a further allocation of £500,000 for the housing of all races. We consider that the total allocation of £1,150,000 should enable the Government to tackle realistically the completion of the staff housing programme which has got into its stride in the past few years, but we do not propose to allocate this as between European, Asian and African housing, as we consider that this can better be accomplished by the Development and Reconstruction Authority, taking into account detailed requirements. We believe that this sum will not in fact meet all needs if present building costs continue, and will on that account not go nearly so far as a similar amount would if it had been provided a few years ago. But we consider that, used with due economy, it should go a long way towards solving the problem. We repeat the warning which we gave in Chapter I that a close watch should be kept on the housing programme to ensure not only that economical standards are adopted but also that permanent housing is not constructed which will not be required at the end of the development period.

252. The financial picture is summarized in the following table:—

	£
*Development Committee Report provision	405,000
Further approved expansion	1,235,000
Total approved to 31st December, 1950	1,640,000
Estimated expenditure to 31st December, 1950 ...	1,317,800
Balance of 1946–50 allocations	322,200
Additional allocation now recommended	1,150,000
Total proposed spending 1951–55	£1,472,200

(9) *African Housing*

253. This sub-allocation refers to African housing in urban areas which has been financed hitherto partly by a free grant from the Colonial Development and Welfare Vote and partly by a loan from the Railway Administration. The Railway loan was repaid in 1949 but the unexpended balance still due to be spent on this scheme was voted from revenue into the Housing Fund. Approximately £140,300 remains to

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* £45,000 out of the original allocation of £450,000 for the housing of all races was earmarked for Northern Province buildings.

be spent. Although the provision of suitable and adequate housing for Africans in urban areas is one of the most pressing problems and a great deal more could be spent on this aspect of development, it is hoped that Africans can be encouraged to build their own houses as is proposed at Thika, and that where further public housing schemes are necessary in urban areas they will be financed by the local authorities concerned, if necessary in part out of the funds provided for self-reimbursing loans.

(10) *Furniture for New Buildings*

254. Many of the original scheme values included no provision for furniture, as it was thought that the furniture for new buildings would be provided out of the Furniture Vote in the Colony Estimates. In 1948, however, it was decided that the provision of furniture for development projects was a legitimate charge on the capital budget and that in future only replacements would be provided for in the Colony Estimates. To meet this need in existing schemes which could not be satisfactorily completed without further funds for furniture a total of £125,000 was later set aside, of which approximately £33,700 remained unspent at the end of 1950. We make no recommendation for an additional allocation for this purpose in view of the decision that all furniture and fittings should be provided out of the funds allocated to individual projects.

255. The following table shows in summary form the balance of the 1946–50 allocations carried forward, the additional allocations which we now recommend, and the total proposed spending under the Buildings Head for the years 1951–55:—

Sub-head	*Balance of 1946–50 allocations*	*Additional allocations now recommended*	*Total proposed spending 1951–55*
	£	£	£
Police Buildings	387,600	150,000	537,600
Prison Buildings	46,200	630,000	676,200
Judicial Buildings	—	60,000	60,000
Public Works Department—Departmental Buildings, Workshops and Offices	19,600	250,000	269,600
Government Offices . .	216,100	*400,000	616,100
Legislative Council Chamber	—	150,000	150,000
Northern Province Buildings	26,100	20,000	46,100
Staff Quarters	322,200	1,150,000	1,472,200
African Housing	140,300	—	140,300
Furniture for New Buildings	33,700	—	33,700
†Veterinary Buildings . .	—	—	—
Government Press Buildings	—	—	—
Unallocated	—	—	—
	£1,191,800	£2,810,000	£4,001,800

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* Includes special contribution of £200,000 from 1951 revenue.

† Requirements for 1951-55 included in Chapter II.

256. It is not expected that any of the capital expenditure under this Head will result in increased recurrent charges on staff and materials except in the case of the Prisons Department where it is estimated that a further £23,000 will be required for the recurrent expenses at the two approved schools and at the Corrective Training Centre.

257. Increased maintenance charges will, of course, fall on the Colony's budget if the buildings programme recommended is carried out during the next five years. We estimate that the construction of the buildings under the Head will result in an increase of approximately £80,000 in the Colony's maintenance vote by 1956. There should, however, be savings arising through the vacation of rented accommodation.

258. Before leaving the subject of buildings we would reiterate that in many cases services can continue to be carried on in the present buildings, but these buildings do not conduce to efficiency and in our view their replacement as soon as possible is economically profitable. We have framed the programme as a target, progress towards which must be conditioned by financial considerations and by the capacity of the Colony to carry out the projects.

Chapter XIV—Loans to Local Authorities

259. The Development Committee made the following provision for loans by the Colony to local authorities:—

	£
Dips in native areas	200,000
Water supplies in municipal areas	1,000,000
Miscellaneous	800,000
	£2,000,000

It was envisaged that the Government would borrow this sum of £2,000,000 in addition to its own loan requirements.

260. We have not made any examination of the loans already provided or to be provided from these funds, which we understand are disbursed by the Government after consideration of each loan project and in accordance with local government legislation as and when the need arises. Nor have we included this £2 million in the table of development funds in paragraph 18, as interest and redemption charges are paid by local authorities and no additional loan burden has to be borne by the Colony. We consider, however, that there is some advantage in grouping the local authority loan allocations, shown under individual chapters in the Development Committee Report, under one head of the Development plan.

261. In Chapter IV we recommended that the £1 million earmarked for loans to municipalities for water supplies should be combined with the allocation for loans for miscellaneous purposes and utilized on

schemes approved on the recommendation of the Member for Education, Health and Local Government. We do not recommend that the £200,000 provided in the Development Report for dips should be combined with the other allocations, as it was specifically reserved for African areas. We understand, however, that the Member for Agriculture would like to extend the scope of this allocation, little of which has so far been taken up, and being in agreement with this view we recommend that the balance of the £200,000 should be made available for loans for agricultural and livestock improvements in African areas on the recommendation of the Member for Agriculture and with the agreement of the Development and Reconstruction Authority. We consider that the Member for Education, Health and Local Government should be consulted in order that he may satisfy himself that the local authorities applying for such loans are capable of bearing the interest and redemption charges.

262. It will be recollected that the reason why we recommended the amalgamation of the allocation for loans to municipalities for water supplies with the allocation for miscellaneous loans was that the Nairobi City Council now raises its own loans and it appeared to us that the balance of the original allocation would be more than adequate to cover other local authority water supplies. At the same time we appreciate that the needs of other municipalities have increased greatly with recent expansion. For example, we are informed that the water requirements of Nakuru and Eldoret alone total nearly £400,000. Furthermore, whereas in 1946 it was envisaged that only municipalities would borrow from this allocation, district councils (including African District Councils) and townships, the needs of which are also expanding, now qualify for these loans. In fact in our chapter on Water Development we laid great stress on the importance of encouraging local authorities to finance and operate their own water supplies where they are capable of doing so. Whilst therefore the demands of these authorities will no doubt take up much of the £¾ million originally earmarked for Nairobi we see no particular advantage in making a special allocation for water supplies.

263. In several places in this report (e.g. under Water Development, Roads and Community Development) we have recommended that local authorities should be able to apply for loans to meet part of their development expenditure. Not having sufficient data to be able to make a detailed examination of the allocations for loans to local authorities we are not in a position to make any specific recommendations regarding the adequacy of the amalgamated provision of £1,800,000. We appreciate, however, that in view of the increased number of authorities which may call on this provision and in view of the increased needs of these authorities, the sum may very well prove to be inadequate. We are informed that the Member for Education, Health and Local Government is reviewing both the extent and method of local government borrowing. We hope that as a result of this review an added impetus will be given to local authority development.

Chapter XV—Miscellaneous

264. The Development Committee devoted a special chapter to matters which had not been referred to sub-committees. Some of these, such as Buildings and Tourists and National Parks, have assumed such importance that we have devoted separate chapters to them. The rest, which do not warrant such treatment, are dealt with below. We have also included a few other schemes and projects already approved from special allocations, or which we now recommend, but which do not conveniently fall under any other chapter.

(1) *Military Capital Development*

265. Financially this is the most important sub-head of the Miscellaneous group. Under it we include both the Kenya Regiment Headquarters buildings being financed from a special contribution from revenue and the Kenya contribution to other military capital development to be undertaken during the five-year period.

266. An amount of £50,000 was set aside for the construction of the new Kenya Regiment Headquarters from a sum of £250,000 transferred to the Development and Reconstruction Authority from the 1948 surplus. The foundation stone was laid by the Duke of Gloucester in 1950 during his visit to Kenya in connexion with the granting of city status to Nairobi. Work is now progressing and it is expected that the headquarters will be completed early in 1952. There is estimated to be an unspent balance of approximately £41,000 at the end of 1950.

267. A programme of military capital development was drawn up and agreed at the Land Forces Conference held in Nairobi in October last year, and the allocation of £400,000 which we now recommend is the Kenya contribution required for the work to be undertaken during the period under review. It has been agreed that the Public Works Department should be the agency for carrying out the work required in Kenya, which forms the bulk of the programme. Naturally contributions representing their agreed shares will be made by the other East African Governments and His Majesty's Government in the United Kingdom towards works which are not the sole responsibility of the Government of Kenya.

(2) *Cotton Areas Development*

268. A sum of £30,000 has been made available from the Coast Cotton Sales Fund for the construction of a Coast Agricultural and Investigational Centre at Matuga and progress is being made with this project which, being entirely agricultural, has been absorbed into the Member for Agriculture's approved plan.

269. In addition, early this year the Standing Finance Committee recommended that a sum of £60,000 should be transferred to the Development and Reconstruction Authority from the Nyanza Province Cotton Sales Fund for various capital works in the Nyanza cotton areas.

Although some of these capital works will be agricultural, such as a cotton research station, other Members as well as the Member for Agriculture are concerned. We came to the conclusion therefore that the necessary provision could most conveniently be shown under the Miscellaneous Head and disbursed on schemes approved by the Development and Reconstruction Authority after it has taken the advice of the cotton growers through the Provincial Commissioners.

(3) *Fisheries*

270. The Report of the Development Committee provided the sum of £10,000 for a fish culture farm and £2,500 for a trout hatchery. It was also proposed that a scheme for the ecological surveys of trout rivers should be financed from the Central Research allocation of the Colonial Development and Welfare Vote. With the agreement of the Development and Reconstruction Authority some adjustment took place between these various votes. The provision will be exhausted at the end of 1951.

271. Although we have received no proposals for further capital expenditure on Fisheries during the next phase of the development period this does not mean that no capital development will take place. A grant of £12,000 has been made from the regional allocation of the Colonial Development and Welfare Vote to provide shore installations at Malindi for the operation of Kenya's sea-going marine fishery investigational vessel—*Manika*. In addition, together with Tanganyika and Zanzibar, Kenya participates in the benefits of a scheme for marine research based on Zanzibar. This scheme, operated by the research vessel *Cumulus*, is financed from the Central Research allocation of the Colonial Development and Welfare Vote.

(4) *Town Planning*

272. The Town Planning Adviser and his staff are now borne on the Colony's Estimates and there is no need for us to recommend any further provision for this department.

(5) *Statistical Services*

273. No expenditure has been incurred from the funds provided by the Development Committee for the Statistical Services, now a High Commission responsibility. We recommend that these funds which amount to £3,000 should be carried forward to Unallocated.

(6) *Building Materials*

274. The Development Committee noted that the Development and Reconstruction Authority was considering establishing brick and tile organizations at suitable centres with a view to effecting economies in building costs. The intention was that the cost of establishing and running such organizations, apart from the salary and other charges of a

brick and tile expert, would be covered by charging the cost of bricks and tiles against the works vote of the buildings for which they would be used.

275. A few small-scale organizations have been established at various centres in the Colony such as Kisumu, but the main works are in Nairobi where an existing organization was taken over and developed. The Nairobi Brick and Tile Works which, after meeting the Development and Reconstruction Authority needs, sells its surplus production at commercial prices has proved very successful. Although it is financed through the Development and Reconstruction Authority by revenue and expenditure votes in accordance with the normal Government system of accounting, trading and profit and loss accounts are also kept. We are informed that the revenue should be sufficient to cover all operational costs and capital expenditure, including replacements by the end of 1955. We therefore make no recommendation regarding an allocation for this organization.

(7) *Nandi Hills Project*

276. From the block grant of £250,000 made from 1948 revenue an amount of £20,000 was set aside for the establishment of a new township to be called Nandi Hills with a view to encouraging the development of the Nandi tea area. Approximately half of this was allocated for the construction of roads, a sum of £1,000 was authorized for the purchase and survey of land and the balance is to be used to meet the cost of administrative buildings and Government housing. The scheme is expected to be completed at the end of 1951.

(8) *Administrative Expenses*

277. No additional allocation is necessary for this vote which mainly provides for the expenses of the Headquarters staff of the Development and Reconstruction Authority. The £24,000 included by the Development Committee under this head for printing machinery for the Government Press has already been spent.

(9) *Kenya Cultural Centre*

278. Approval was given in 1949 to a grant of £50,000 out of the Colonial Development and Welfare Vote reserve as a contribution towards the cost of the Kenya Cultural Centre. This project is to be constructed with the assistance of funds raised by public subscription.

(10) *Miscellaneous Minor Projects*

279. A total of £47,000 has been allocated from the Development and Reconstruction Authority unallocated provision of £241,000 for various minor projects.

(11) *Loan Charges*

280. Under the present loan programme a total of £18½ million is due to be raised by the Colony between 1951 and 1955, of which £6 million was raised in January of this year. Of the total, £2 million is to be raised for relending to local authorities so that the loan charges to be met by the Colony are in respect of £16½ million only. On the assumption that those funds can be raised at the same rate of interest as is payable on the Kenya 1973–78 loan and that sinking fund contributions are paid at the statutory rate of 1 per cent the additional annual recurrent expenditure to be met by the Colony in 1956 will be approximately £610,000 in excess of the loan charges actually being borne in 1951.

Chapter XVI—Recurrent Implications

281. In Chapter I we stressed the importance of the recurrent charges which follow in the wake of capital expenditure and we stated that we had attempted to draw up as accurate an estimate of these as possible. The individual chapters of our report have contained an estimate of the annual recurrent charges likely to arise by 1956 from the proposed spending during the period 1951–55 together with an estimate of the offsetting revenue. These estimates are based on current prices and salary levels and, so far as additional revenue is concerned, on the existing rates of fees and charges for specific services.

282. We feel that the picture would not be complete if we did not bring these figures together in a final table and we have therefore prepared the following summary which shows the annual recurrent implications of the plan we recommend in so far as we have been able to assess these:—

Head	Gross additional expenditure on staff and other charges	Additional maintenance charges	Total gross additional recurrent charges	Additional revenue	Net additional recurrent charges
	£	£	£	£	£
Agricultural and Veterinary Services ..	363,450	9,000	372,450	64,000	308,450
(1) Forestry	21,250	—	21 250	—	21,250
(2) Water Development	—	—	117,500	66,000	51,500
Surveys	—	1,000	1,000	—	1,000
(3) Roads	—	—	—	—	—
Airfields	6,000	50,000	56,000	16,000	40,000
Health and Hospital Services	155,400	23,500	178,900	—	178,900
Education	1,015,800	60,000	1,075,800	93,350	982,450
Community Development	7,900	400	8,300	—	8,300
(4) Provision of Facilities for Industry	—	400	400	—	400
(5) Tourists and National Parks	—	—	—	—	—
Buildings	23,000	80,000	103,000	—	103,000
Loan Charges	—	—	610,000	—	610,000
TOTAL ..	1,592,800	224,300	2,544,600	239,350	2,305,250

283. The following are explanatory notes on certain items of the table:—

(1) As the whole question of Forest Development is under examination the figure we have included is merely the difference between the 1951 recurrent expenditure estimates of the Forest Department (less the sub-head devoted to African District Councils Productive Forests which is fully reimbursed) and the figure of £175,000 given in the Development Committee Report as the recurrent expenditure of the Forest Department at the end of the ten-year period.

(2) The figure of £117,500 includes operational expenses, maintenance and renewals fund contributions.

(3) Any additional recurrent expenditure on roads arising from the development we recommend will be a responsibility of the Road Authority and will be found from the proceeds of the revenues placed at the disposal of the Authority.

(4) Pending the formulation of detailed proposals the additional recurrent charges, if any, are not known except for the maintenance of accommodation to be provided for the Weights and Measures Department.

(5) As we stated in paragraph 212 we have not been able to make any estimate of the additional recurrent charges or the additional revenue arising out of the plans for the National Parks and Tourist Traffic.

284. Our estimates show that the gross recurrent charges arising from the development programme are likely to increase over the next five years at an average rate of approximately £½ million per annum, which will be reduced only to a small extent by increased revenue from the new services established. Even should the level of fees and charges be raised as a result of the various reviews which we have recommended the assistance which would be afforded to the Colony's budget could not offset the increased recurrent charges to any very substantial extent. And should the next phase of development be one in which costs continue to rise, recurrent expenditure will increase accordingly and the gap between gross and net recurrent expenditure will inevitably tend to widen.

285. In addition to recurrent expenditure arising from the development plan, it is to be expected that there will be considerable recurrent increases from the normal growth of the Colony and from the improvement of existing services. Such increases cannot be estimated with any accuracy, depending as they do on a variety of factors. But we believe that we should not be overestimating if we assessed these at a further £½ million per annum. The overall gross recurrent burden to be borne by the Colony in 1956 is, therefore, likely to exceed the 1951 figure by an amount of the order of £5 million. This is a very large increase but

is not out of proportion to the increases which have taken place over the first five years of the development programme, during which the Colony's recurrent expenditure has mounted steadily from an actual figure of just over £8 million in 1947 to an estimated figure of approximately £12½ million in 1951.

286. Whilst some contribution towards the additional costs can be obtained by increasing fees and the charges for services, the contribution that can be made by this kind of revenue will be small. The bulk of these increased recurrent charges will therefore necessarily have to be met from general taxation.

Chapter XVII—Conclusion

287. That concludes our recommendations for development during the next five years. We do not disguise the fact that we found our task both difficult and complex and that our chief difficulty has been to find room for the many highly desirable schemes which we consider ought to be undertaken. In a comparatively undeveloped country like Kenya many times the amount which we have recommended could be spent with great advantage. As we have pointed out earlier, to a large extent development stimulates development and there is no doubt that if additional funds could be found and spent on well-planned schemes they would do much to expand the general economy and to provide the wealth required to undertake further development and to finance additional services. On the other hand we have had to formulate our plans within the finance which, having regard to all likely sources of revenue, we consider can reasonably be found without adverse effect upon the Colony's economy and without discouraging the investment of further capital which is so badly needed.

288. We do not expect our recommendations to please everyone. On the contrary, there are bound to be some who will think that we have gone too far, others that we have not gone far enough. There will be some who will point to omissions, whilst others may find included schemes which they feel could have been omitted at the present time.

289. We have endeavoured throughout to take a realistic view of the country's needs and, although exercising all necessary economy, have made what we estimate to be reasonably adequate provision for these schemes which we consider to be necessary in present circumstances. At the same time, we must explain that these estimates are based on the price and wage levels obtaining at the time when they were made. We cannot, of course, foresee what changes in prices and wages are likely to take place in the future.

290. We commend our proposals to Your Excellency and your advisers in the conviction that they will provide for the well-balanced development of the Colony during the next phase.

ACKNOWLEDGMENTS

291. It remains for us to express our thanks for the valuable assistance rendered by Members of the Government, their secretaries, heads of departments and their staffs, who, despite being fully occupied with their day-to-day duties, have devoted considerable time and energy to the intensive investigation and research involved in the preparation of their revised plans.

292. Finally, we should like to express our great appreciation of the work of Mr. A. M. Wilkie, the present Secretary to the Committee, who has been largely responsible for the collection and presentation of the information on which our report is based. His knowledge of the subject together with his patience and industry has made our task very much easier than it otherwise would have been.

We have the honour to be,
Sir,
Your Excellency's obedient servants,

J. D. RANKINE (*Chairman*),
M. BLUNDELL,
J. J. K. CHEMALLAN,
F. T. HOLDEN,
CHUNILAL KIRPARAM,
V. A. MADDISON,
W. PADLEY,
Members.

A. M. WILKIE, *Secretary.*
21st June, 1951.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Chapter I—Introduction

The Problem

(1) The prosperity of Kenya depends mainly on the development of the land. But if its natural resources are to be fully productive the health and efficiency of its manpower must also be improved. In addition, capital must be attracted for the development of the country's agriculture and for the establishment of secondary industries. Advantage should be taken of the Colony's natural assets such as its climate and its game to expand its invisible exports. For all these purposes adequate communications and social services are required. Whilst we agree with the basic principle governing development laid down by the Development Committee we consider that this principle should be interpreted as broadly as possible. Capital funds should be applied in such a way that there is a progressive development of all factors of production which will result in a well-balanced and broad-based economy (paragraphs 4–8).

(2) Owing to the lack of capital expenditure in the past and the rapid development of the Colony in recent years considerable expenditure is necessary to catch up with arrears (paragraphs 9 and 10).

(3) Continuous revision of development plans is necessary not only because of the expanding needs of the Colony but also because of changes in salaries and prices (paragraph 11).

The Finances

(4) The recommendations in our interim report were based on a review made in March, 1950, of the finances estimated to be available over the ten-year development period. We made provisional allocations from a sum of £8,416,000 which had then not yet been earmarked. Our examination of the Colony's needs has convinced us that even on a revised estimate the finances likely to be available will be insufficient to provide for minimum needs, some of which are actual commitments. We have therefore drawn up a plan which includes all essential projects but which results in a deficit. As the extent to which this plan can be financed cannot be foreseen we recommend that the provisions should be regarded as targets to be reviewed at frequent intervals in the light of the capital finance available and of the capacity of the Colony to bear the recurrent charges (paragraphs 13–17).

(5) We recommend additional allocations totalling £14,178,000 inclusive of the £8,416,000 provisionally allocated in the interim report. The total revised programme for the ten-year period amounts to £35,489,500 towards which it is expected that £30,926,500 will be available, leaving a deficit of £4,563,000. These figures do not include expenditure on schemes financed from the Interterritorial and Central Research allocations of the Colonial Development and Welfare Vote or on local authority schemes to be met from loans raised by the Colony for

relending to local authorities. Nor do they include a sum of £5 million required for the Mombasa water supply, which we have treated as a special issue (paragraphs 18–22).

(6) We do not consider it to be our function to recommend how the deficit should be met, but we suggest that if the necessary finance cannot be found or spent during the 1951–55 period then the plan may have to be projected beyond 1955 (paragraph 23).

(7) Although productive development should increase the Colony's revenue, increases in revenue tend to lag behind increases in recurrent costs. We estimate that the annual additional recurrent costs likely to arise by 1956 out of the development we recommend will be £2,544,600 which will be offset to the extent of £239,350 by additional revenue. This increase in recurrent costs has given us concern and we recommend that the charges for services provided by the State should be examined and brought into closer relationship with actual costs, thus helping to reduce the additional recurrent charges which will have to be met from taxation (paragraphs 24–28).

Progress and Planning

(8) The progress of the development programme will be influenced by three factors—

(i) the rate at which funds can be provided;

(ii) the physical capacity of the Colony to carry out schemes;

(iii) the rate at which capital can be injected into the general economy of the Colony without stimulating inflation.

We therefore recommend that the development plan should be flexible and that the Planning Committee should be kept in being or a new Committee be appointed to keep the plan under review (paragraphs 29–34).

(9) We appreciate that there will still be a need for capital works after 1955 and we recommend that a review be made not later than the end of 1954 of the finances available to continue development (paragraph 37).

PART I—DEVELOPMENT OF THE LAND

Chapter II—Agricultural and Veterinary Services

(1) We consider that the problem of the land is the most serious and urgent one facing the Colony. It is not susceptible of quick or easy solution and our aim has been to provide for the research and investigation required to show the way in which the solution can be found and for such funds as can usefully be spent on the lines thus indicated during the period (paragraphs 38, 41 and 42).

(2) We welcome the decision of the High Commission to work out plans for economic self-sufficiency in East Africa (paragraph 39).

(3) Much of the expenditure incurred in the development of the agricultural industry is not capital expenditure but recurrent expenditure on Administrative and Technical Staff, who can bring home to the people the gravity of the problem and secure their indispensable co-operation in measures designed to solve it (paragraph 40).

(4) We recommend additional funds to enable the Soil Conservation scheme to be fully carried out and a basic allocation of working capital for Dam Construction units. At the same time overstocking should not be allowed to result in further deterioration of the soil and an interest-free loan should be made to the Meat Commission to enable it to establish a canning factory for scrub stock (paragraphs 43–45).

(5) The land problem can only be fully solved by longer term remedies—such as better farming techniques and opening up new areas for settlement. We recommend that the Government should continue and intensify its policy of large settlement schemes and that, if these prove successful and further funds are required for such schemes, the question of reallocating funds for them be examined (paragraphs 46–48).

(6) Permanent and pensionable staff required after 1955 should be transferred progressively to the Colony budget with their other charges (paragraph 49).

(7) We recommend an additional allocation of £1,250,000 which together with the unspent balance of 1946–50 allocations will give actual spending of £4,067,500 during 1951–55 (paragraph 50).

(8) Two-thirds of the balance of the 1946–50 allocations will be spent on the Reconditioning of African Areas and African Settlement but if more than this can usefully be spent then we consider that the position should be re-examined. There should be as much flexibility as possible in the use of the funds under this head (paragraphs 52–55).

(9) The annual additional recurrent charges arising by 1956 out of expenditure recommended for Agricultural and Veterinary Services are likely to be £372,450 gross and £308,450 net (paragraph 56).

(10) Where schemes provide special facilities they should be made self-supporting as far as possible and charges should bear as close a relationship as is practicable to the cost of the services provided (paragraph 58).

(11) The closest co-operation between the Administration and the Agricultural and Veterinary Departments is essential if the farming lands of Kenya are to be successfully developed (paragraph 59).

Chapter III—Forestry

(1) We consider that adequate funds should be made available for forest development. Pending the consideration by the Government of the Hiley Report we are unable to make specific recommendations regarding the further funds, if any, required for forest development or the organization which should undertake it (paragraph 62).

(2) A forest-planting programme is not only one of the best long-term investments which the Colony can make but will also be of great assistance in absorbing excess population. One of the best methods of financing the expansion of the forest-planting programme would be to increase the scale of royalties (paragraph 64 and 65).

Chapter IV—Water Development

(1) Adequate water supplies are so vital in Africa that the proper development of the Colony's water resources must be regarded as one of the first priorities (paragraph 66).

(2) Unless there are special reasons to the contrary local authorities should be encouraged to finance, construct and operate their own supplies (paragraphs 73 and 74).

Township Water Supplies

(3) An additional allocation of £375,000 is proposed. Charges for water should be sufficient to cover both operational and renewal costs (paragraphs 75 and 76).

Rural Water Development

(4) The Dixey Scheme should be pressed forward to the extent to which the Colony can afford to bear the recurrent charges (paragraphs 77 and 78).

(5) A further allocation of £360,000 for existing schemes and schemes which may be approved is recommended giving a total spending of £1,158,000 during 1951–55 (paragraphs 79 and 80).

Mombasa Water Supply

(6) We recommend an allocation of £522,000 for the Interim Investigations and Extensions which are at present proceeding and for which no provision has yet been made. We make no allocation for the major scheme, which is estimated to cost £5 million (paragraphs 81–83.)

Loans to Local Authorities

(7) The £1 million allocation which the Development Committee recommended for loans to municipalities for water supplies should be amalgamated with the Development Committee Report provision of £800,000 for Miscellaneous Loans (paragraph 84).

(8) We recommend an allocation of £35,000 for the continuation of the Hydrographic Survey (paragraph 86).

(9) The additional annual recurrent expenditure arising out of water development schemes by 1956 is estimated to be £117,500 gross and £51,500 net (paragraph 87).

Chapter V—Mines, Geology and Surveys

We do not recommend any additional allocations for mines, geology and surveys in respect of which development plans are already under way (paragraph 89).

PART II—DEVELOPMENT OF COMMUNICATIONS

Chapter VI—Roads

(1) The improvement of communications is largely dependent on the development of the Colony's roads (paragraphs 99–100).

(2) The road system is inadequate for the volume of traffic and does not meet public demands. It must be improved if agriculture and secondary industries are to be developed (paragraphs 97 and 98).

(3) The provisional allocation of £2 million made in our interim report has been found to be inadequate for the establishment of a satisfactory primary road network concurrently with some development of secondary roads (paragraphs 102–104).

(4) We base our recommendations on a 15-year plan drawn up by the Road Engineer, the first five-year phase of which requires expenditure of £5 million on the primary road network. Assuming that half of this can be provided by the Economic Co-operation Administration we recommend an allocation from Kenya funds of £2½ million for a programme of this kind, the details of which we leave to the Road Authority (paragraph 105).

(5) We recommend allocations of £425,000 for assistance to municipalities and £750,000 for road reconstruction and improvement in European and African District Council areas, in addition to any loan funds which may be provided from the allocation Loans to Local Authorities (paragraphs 107–109).

(6) A grant of £500,000 for the improvement of communications between Mombasa and the mainland, all of which may be required for the northern link, is recommended. The question of some contribution from those who stand to benefit, including the Mombasa Municipality, should be examined (paragraphs 110 and 111).

(7) We make no estimate of the additional maintenance costs likely to arise out of the expenditure we recommend, as they will depend on many imponderable factors. There is likely to be a need for a progressive increase in the overall road maintenance vote in the next five years and the public must expect to face increased charges on those items of revenue earmarked for the Road Authority (paragraphs 112–115).

(8) A total additional allocation of £3,600,000 from Kenya funds, together with the balance of 1946–50 allocations and with contributions from outside sources, should make possible an appreciable improvement in the road system which will give an impetus to development (paragraphs 116 and 117).

Chapter VII—Airfields

(1) In the Development Report and in our interim report the recommendations covered only the improvement of local airfields. There is,

however, a necessity for a new trunk airport. It is generally agreed that the trunk airport at Eastleigh is unsatisfactory and that the sterilizing of valuable land in the City is retarding industrial development. Whilst we consider that a new airport should be built at Embakasi, we appreciate that it may not be possible for the Government to provide all the funds from its own resources and the allocation we make takes into account outside contributions and the realization of funds from the sale of the land vacated at Eastleigh (paragraphs 118–120).

(2) We recommend an additional allocation of £390,000 for local airfields and the new airport at Embakasi. The net annual increase in recurrent expenditure by 1956 is not expected to exceed £40,000 (paragraphs 122 and 123).

PART III—DEVELOPMENT OF MANPOWER

Chapter VIII—Health and Hospital Services

(1) The main aim of the Health and Hospital Services should be the improvement of the calibre of our manpower, which can best be achieved by a concentration of resources on preventive services. We agree with the priorities established by the Development Committee, particularly with regard to the importance of Health Centres and training establishments. The provision of sub-centres in the districts should be the responsibility of African District Councils (paragraphs 124–129).

(2) Our recommendations regarding the provision of funds for the construction and reconstruction of hospitals is based on accepted medical policy with regard to curative services. The Government will give capital assistance to approved community projects in the annual Colony budget and for this reason we make no provision for such grants in the Medical plan. For the present the Government will have to provide a basic service for Africans but this community should be encouraged to accept an extension of the fee-paying principle to assist with the extension of its curative services (paragraphs 130–135).

(3) We recommend a block allocation for housing of medical staff to overtake arrears and to supplement the funds provided for new schemes. The additional allocation which we recommend for Health and Hospital Services, including housing, is £700,000 (paragraphs 136 and 137).

(4) The additional annual recurrent charges expected to arise by 1956 out of capital expenditure during 1951–55 are estimated to be £178,900 (paragraph 139).

(5) The most important of the schemes to be financed from existing allocations are the Health Centres and Training Centres. We recommend that the Development and Reconstruction Authority should give a high priority to those training schemes which will provide the staff to be employed at Health Centres (paragraphs 140 and 141).

(6) The funds we recommend should provide a workable and balanced programme. Further improvement and expansion of medical services, particularly curative services, must depend mainly upon individual and community efforts (paragraphs 142 and 143).

Chapter IX—Education

(1) It has been necessary to augment the allocations made in our interim report by £2,280,000. This increase is essential to catch up with the rapid development of recent years and to give effect to policies accepted by the Legislature. It is justified on practical grounds (paragraphs 144–147).

(2) The provision for European and Asian education is designed to meet the basic needs of these communities. The provision for African education is in accordance with the recommendations of the Beecher Report. An allocation is made for a Technical College for all races (paragraphs 148–150).

(3) In view of the very heavy increases in recurrent charges which this programme will bring in its wake we recommend that a further investigation be made into the scale of fees (paragraph 153).

(4) We recommend a total additional allocation of £3,530,000, including the provisional allocation of £1,250,000 made in our interim report. Together with the balance of 1946–50 allocations this will give total spending of £4,860,900 during 1951–55 (paragraph 154).

European Education

(5) It is necessary to ensure that places are available for European children who by law are compelled to go to school. In addition, the Colony caters for European children from other territories in respect of whose schooling full reimbursement is received (paragraph 156).

Asian Education

(6) It would be impossible within the finances available to provide schools for Asian children entirely from Government funds. Apart from primary schools which form part of the existing Development Plan and apart from schools in smaller centres it is proposed that all primary schools should be aided schools built by the Asian community with capital grants from the Government, leaving secondary schools and special projects to be provided by the Government (paragraph 161).

African Education

(7) Our allocation for African education is based on the provision necessary to supplement the balance of 1946–50 allocations in order to carry out the first five years of the Beecher programme and to complete schemes already started under the Ten-year Plan (paragraphs 168–170).

Technical Institute

(8) A high priority should be given to the construction of the first stage of the Technical College for which we recommend an allocation of £360,000 (paragraphs 172 and 173).

Special Schemes

(9) We recommend provision for the improvement of educational facilities for children of mixed parentage (paragraph 174).

Recurrent Implications

(10) A detailed estimate of the recurrent charges arising out of the proposed programme reveals that these are likely by 1956 to amount to a gross annual total of £1,075,800 and to a net annual total of £982,450 (paragraphs 176–179).

(11) Where boarding facilities are provided or where the State makes tuition available outside its statutory obligations the fees charged should bear a closer relationship to the true cost (paragraph 181).

Chapter X—Community Development

(1) We recommend improvements at the Jeanes School to facilitate the training being given to Africans, particularly in local government. This training can do much to help the African people to develop a spirit of mutual help and civic responsibility (paragraphs 182–185).

(2) The Community Development organization can spread an understanding and appreciation amongst Africans of the aims of development plans and of better farming practices (paragraph 186).

(3) We recommend provision of £71,000 in addition to assistance which may be obtained from other sources, including the Loans to Local Authorities allocation (paragraph 189).

(4) The additional annual recurrent charges arising from this programme by 1956 are expected to amount to £8,300 (paragraph 191).

PART IV—DEVELOPMENT OF COMMERCE AND SECONDARY INDUSTRIES

Chapter XI—The Provision of Facilities for Industry

(1) Industrial expansion is essential in order to increase the national income, to relieve pressure on the land and as a stabilizing factor in the Colony's economy. The best way in which Government can assist such expansion is by bringing about attractive conditions and by leaving executive operation in the hands of private enterprise. The Government must create confidence among the business community in its policy of encouraging industrial development (paragraphs 192, 194 and 196).

(2) The most important direct step the Government can take to assist the development of industry is the provision of industrial sites. We consider that the Government should now take a more effective part in such preliminary development and that the most suitable

organization to undertake this would be a corporation set up to develop Crown lands for industrial and ancillary purposes. £150,000 should be placed at the disposal of this corporation for these purposes and for financial assistance to industry generally (paragraphs 197–199).

(3) The absence of an organization to develop residential land is a serious drawback. We recommend that £100,000 should be provided for such development which should be carried out by a separate section of the corporation entrusted with the development of industrial land (paragraph 200).

Chapter XII—Tourists and National Parks

(1) The National Parks Trust is the most suitable body not only for the development of national parks but also for the promotion of other measures to encourage tourist traffic (paragraphs 204–207).

(2) We recommend the following block allocations:—

(*a*) £100,000 for schemes specifically designed to attract tourists such as the provision of safari lodges and the promotion of publicity.

(*b*) £45,000 for national parks.

(*c*) £10,000 as a contribution towards the cost of restoring and preserving Fort Jesus (paragraphs 210 and 211).

(3) We are unable to estimate what the additional recurrent expenditure arising out of these allocations is likely to be but we recommend that Treasury sanction should be obtained before any capital expenditure likely to result in increased recurrent charges is undertaken (paragraph 212).

PART V—DEVELOPMENT (GENERAL)

Chapter XIII—Buildings

(1) The programme for buildings should be confined to "really urgent and essential" works, but considerable expenditure will be necessary to overtake the serious arrears of building, and to provide accommodation for development staff (paragraphs 215–218).

(2) It will be economically sound to replace existing unsatisfactory buildings occupying valuable sites and to build offices and houses for staff at present in rented accommodation (paragraph 219).

(3) Each project should be rigorously examined by the Development and Reconstruction Authority from the point of view of necessity, urgency and economy of plans before it is approved for execution (paragraph 221).

(4) The programme of building will have to be spread evenly over the next five years and careful consideration will have to be given by the Development and Reconstruction Authority to priorities (paragraph 222).

Police Buildings

(5) The capital programme for police buildings has lagged behind the recruitment of staff to deal with the post-war crime wave. The provisional allocation of £150,000 made in our interim report together with unspent balances will be sufficient to allow the programme to be completed (paragraphs 224 and 225).

Prison Buildings

(6) The back-log in prison requirements is greater than that for any other department. £630,000 is required to replace dilapidated and out-of-date prisons and to provide new prisons to deal with the problems of first offenders and recidivists (paragraphs 228–233).

Judicial Buildings

(7) A corollary of the expenditure required for Police and Prison buildings is the provision of adequate court accommodation for judges and resident magistrates, for which we recommend an allocation of £60,000 (paragraphs 234–236).

Public Works Department

(8) Funds are urgently required for the resiting and the rebuilding of provincial stores, for the building of divisional and sub-divisional workshops to provide repair facilities for Public Works Department vehicles and machinery and for divisional woodworking shops. Further office accommodation is also necessary. We recommend an additional allocation of £250,000, which is the minimum which will provide a programme consistent with efficiency. This expenditure should lead to economies in the execution of works, handling of stores and in the maintenance of vehicles and plant (paragraphs 237–243).

Government Offices

(9) We recommend an additional allocation of £200,000 which together with a special contribution from revenue in 1951 and the balance of 1946–50 allocations should suffice to meet approved schemes and reasonable future requirements (paragraphs 244–247).

Legislative Council Chamber

(10) We recommend an allocation of £150,000 for the new Legislative Council Chamber which the Legislature has decided shall be built (paragraph 248).

Northern Province Buildings

(11) We recommend an additional allocation of £20,000 (paragraph 249).

Staff Quarters

(12) The Development Committee seriously underestimated staff housing requirements and it has been necessary to make substantial additions to the allocations since 1946. To meet present demands and allow for reasonable expansion we recommend an additional allocation of £1,150,000 for the staff housing of all races. Economical standards should be adopted and no permanent housing which will not be required at the end of the development period should be constructed (paragraphs 250–252).

African Housing

(13) We make no recommendation regarding a further allocation for public schemes in urban areas which we consider should be mainly undertaken by local authorities (paragraph 253).

Furniture for New Buildings

(14) We make no recommendation regarding the provision of further funds for furniture for new buildings in view of the decision that all furniture and fittings should be provided out of the funds allocated to individual projects (paragraph 254).

(15) The increased recurrent charges arising out of the building programme recommended in this chapter are likely to be approximately £103,000 by 1956 (paragraphs 256 and 257).

(16) The buildings programme we recommend must be regarded as a target, progress towards which will be conditioned by financial considerations and by the building capacity of the Colony (paragraph 258).

Chapter XIV—Loans to Local Authorities

(1) The £200,000 set aside by the Development Committee for dips in native areas should be used for agricultural and veterinary improvements in African areas (paragraph 261).

(2) In view of the increased numbers of authorities which may call on the amalgamated provision of £1,800,000 and in view of their increased needs this sum may prove inadequate (paragraphs 262–263).

Chapter XV—Miscellaneous

(1) An allocation of £400,000 is recommended for the Kenya contribution to military capital works (paragraph 267).

(2) No further allocations are required for Fisheries, Town Planning, Statistical Services, Building Materials and Administrative Expenses (paragraphs 270–275 and paragraph 277).

(3) The Colony's loan charges by 1956 are expected to be £610,000 in excess of those actually being borne in 1951 (paragraph 280).

Chapter XVI—Recurrent Implications

(1) The additional annual recurrent charges and revenue likely to arise by 1956 from the development we recommend are as follows:—

	£
Gross additional recurrent charges on new services and assets	1,934,600
Additional loan charges	610,000
Total gross additional recurrent charges	£2,544,600
Additional revenue	239,350
Net additional recurrent charges	£2,305,250

(paragraph 282).

(2) Further gross recurrent increases of approximately £2½ million deriving from the normal growth of services are also expected (paragraph 285).

(3) Even if fees and charges for specific services are increased the extent to which these increases can reduce the amount to be found from general taxation will not be substantial (paragraph 286).

APPENDIX I

INTERIM REPORT OF THE PLANNING COMMITTEE

His Excellency the Governor,
Government House,
Nairobi.

Your Excellency,

On the 2nd July, 1948, Your Excellency in Council approved of the setting up by the Development and Reconstruction Authority of a Planning Committee, as recommended in paragraph 8 of the Report of the Development Committee, and of the co-option by the Development and Reconstruction Authority of the following "planning members":—

The Member for African Affairs.
The Secretary for Commerce and Industry (which post was subsequently raised to the status of Member).
Mr. F. T. Holden.
Lt.-Col. Lord Francis Scott, K.C.M.G., D.S.O.
The Hon. M. Blundell.
Mr. Chunilal Kirparam.

In March, 1950, Your Excellency directed that the Planning Committee should be reconstituted as a Standing Planning Committee with membership as follows:—

The Chief Secretary (Chairman).
The Secretary to the Treasury.
The Secretary for Commerce and Industry (vice the Member).
Lt.-Col. Lord Francis Scott, K.C.M.G., D.S.O.
Mr. F. T. Holden.
The Hon. M. Blundell.
Mr. Chunilal Kirparam.
The Hon. J. J. K. Chemallan.

2. The Planning Committee as originally constituted met for the first time on the 17th December, 1948, and held subsequent meetings on the 11th, 13th, 18th and 20th October, 1949, on the 24th and 26th January, and on the 21st, 22nd and 23rd March, 1950.

The Planning Committee as reconstituted met on the 3rd and 29th August, on the 6th and 27th September, on the 2nd October, and on the 8th November, 1950.

3. The function of the Planning Committee is set out in paragraph 8 of the Report of the Development Committee as "the revision of development plans in the light of changing circumstances" and it was envisaged by the Development Committee that the Planning Committee would have "referred to it questions calling for major revision of development plans".

4. We, therefore, at our first meeting asked that the Members of Executive Council responsible for groups of departments should be invited to submit their revised development plans to the Committee through the Chairman of the Development and Reconstruction Authority. We were aware from the outset that, as a result of discussions which the Member for Finance had held in London, it had been agreed that the Colony's loan ceiling could be increased considerably beyond that envisaged at the time the Development Plan was prepared and that the sums likely to be available for Colony development during the ten-year period would, therefore, be much greater than the net amount of £15,586,000 estimated by the Development Committee. We, therefore, asked that Members should be informed that we were prepared to consider, in addition to the revision

of schemes already approved, new schemes the need for which had become apparent since the Development Committee reported. We thus hoped to have an overall view of development commitments and the Colony's further requirements before attempting to match the needs against the finances likely to be available.

5. Circumstances governing development had changed between 1946 and 1948. Whereas in 1946 and 1947 shortage of staff and materials had prevented the Development Programme proceeding as quickly as had been hoped, by 1948 these difficulties were beginning to be resolved. Moreover, by 1948 the cost of equipment and materials and the salaries of staff had increased considerably over the estimates prepared when the Development Committee sat. The recasting of development plans was, therefore, a task of considerable magnitude and complexity and one which, together with the preparation of further plans, occupied the attention of the Members responsible for departments for a long period. It was not until early in 1950 that the revised and new development plans could be submitted to us.

6. The cost of these revised and new plans greatly exceeded the finances likely to be available for the ten-year development period. It will be recollected that the Development Programme had been expanded between 1946 and the end of 1949, both by special contributions from Revenue for specific projects, such as staff housing, and by extensions of approved schemes to which the Legislature had agreed in the course of the debates on the 1949 and 1950 Draft Estimates. The position reached by March, 1950, was as follows:—

	£
Programme as recommended by the Development Committee	15,586,000
Expansion of schemes and new schemes met from special grants from Revenue on the recommendation of the Standing Finance Committee	1,827,700
Artificial Insemination scheme met from half the proceeds of the Kenya Trek Oxen and Kalula Heifer Accounts on the recommendation of the Standing Finance Committee	19,900
Expansion of the Development Programme approved by the Legislature for 1949 and 1950 (the 1950 expansion was subsequently revised on the recommendation of the Standing Finance Committee)	3,102,000
Revised approved Development Programme	*£20,535,600

The estimate of funds likely to be available over the ten-year period had been revised as follows:—

	£
Estimated net amount available for the Kenya Development and Reconstruction Fund	15,586,000
Special Contributions from Revenue	1,827,700
Contribution from the Kenya Trek Oxen and Kalula Heifer Accounts	19,900
Unspent loan balances of the 1930, 1933 and 1936 Loans	18,000
Additional loan monies on account of the raising of the Colony's loan ceiling	11,500,000
Total monies available for the revised Development Programme	*£28,951,600

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* These summaries exclude sums of £1,605,000 available from the Inter-territorial and Central allocations of the Colonial Development and Welfare Vote and a sum of £2,000,000 for loans by local authorities, which it has been agreed can be regarded as outside the Colony's loan ceiling.

The new money available was, therefore, only £8,416,000 to which could be added, out of the amount of £15,586,000, a sum of £3,285,000 which the Members had indicated was available for re-allocation. Against this total of £11,701,000 Members had submitted estimates for the extension of existing schemes and for new schemes amounting to nearly £24,000,000, or more than double the sum available.

7. It was at once obvious to us when this overall picture was presented that the plans of Members could not by any process of scaling down or piecemeal revision be reduced to proportions which would enable them to be fitted into the framework of the finances available. Nothing short of complete re-drawing would suffice. Although this entailed considerable delay it had to be faced. In order to give Members some guidance, however, in this task of re-drawing their plans within the necessary financial limits, we proceeded to allocate provisionally to Members the sum of £8,416,000 having regard to the need to maintain a balance between schemes likely to increase the national income as soon as possible and schemes which, although not of such a nature, are for the provision of inescapable and urgent services. An additional requirement, which was not a consideration at the time when we commenced our labours, was the need to plan not only for the total expenditure on each scheme but for annual expenditure, in order to ensure that the total annual expenditure does not exceed the annual "ceilings" allowed to the Development and Reconstruction Authority.

The allocation was made as follows:—

	£
Agriculture and Natural Resources, including Water Supplies (other than Mombasa)	2,000,000
Mombasa Water Supply	1,000,000
Airfields	100,000
Communications	2,000,000
Education	1,250,000
Industrial Development	100,000
Buildings	1,768,000
Unallocated	198,000
	£8,416,000

8. The figure of £1,000,000 shown against Mombasa Water Supply above is a sum earmarked against the possibility of the Government having to make some contribution by way of loan or grant towards the scheme. The reason why we have earmarked only £1,000,000, a sum which falls far short of the total estimated cost of the scheme, the first phase of which is provisionally estimated at £4,500,000, is that with so many other important and pressing demands we find it difficult to justify the earmarking of more than half of the funds at our disposal towards this one scheme, and that we consider that the cost of this project which will be of local, Imperial and East African as well as Colony benefit should not be met entirely from Colony development funds. Further it is hoped that it will be possible to set up a separate authority with loan raising powers to execute and administer major projects of this kind. It is intended, as has been explained in the memoranda of the Development and Reconstruction Authority Draft Estimates in 1949, 1950 and 1951, that all expenditure incurred on essential interim extensions and investigations should eventually be recovered from this authority. Should it not prove possible to set up such an authority, £521,921 out of the provisional allocation would require to be earmarked for interim extensions and investigations. Of this amount it is estimated that £158,195 will have been spent by the end of 1950.

9. We asked that Members, when being informed of the provisional allocations, should be asked to review their plans and priorities in the light of the funds now available, showing the recurrent implications both as regards additional expenditure and additional revenue.

10. Since the Committee made its financial review and allocated the balance of money available, the Development Programme has been further expanded by £60,000. This sum has been voted to the Development and Reconstruction Authority Fund from Revenue, on the recommendation of the Standing Finance Committee, to supplement a sum of £40,000 similarly voted in 1949. The total of £100,000 is required to meet the capital cost of the Survey programme for the years 1950-55.

11. The Committee is now engaged in examining the plans amended by Members in the light of the finances now estimated to be available for the remaining five years of the development period but is not yet in a position to make its final recommendations.

12. Meanwhile, there is a number of what we consider to be urgent and inescapable schemes which we are in a position to recommend now and which we consider ought not to be delayed. In order, therefore, to enable a start to be made in 1951 we have recommended the inclusion in the Development and Reconstruction Authority Draft Estimates for 1951, of provision for the following schemes, which we have approved in principle and which form the first priorities of the Members concerned:—

Head 15—3 Agriculture

£

(6) *Agricultural Schools* 7,500

The provision made under the original scheme for the development of the school farms at the Embu and Siriba Training Schools has proved to be inadequate. £7,500 is required to purchase implements and machinery and to carry out essential farm development.

(7) *Rhodes Grass Seed Production* 7,400

There is a very big demand for Rhodes grass seed, which is a difficult crop to handle and demands specialized attention. It is proposed that the Agricultural Department shall plant an area of 80 acres. To cover the cost of the scheme in 1951 an expansion of the Development Programme by £7,400 is necessary. Of this amount £6,550 is required for the purchase of non-recurrent items such as tractors, specialized agricultural machinery and fencing. It is expected that the sale of the seed will reimburse the Government over a period of years for the greater part of the expenditure on this scheme.

Head 15—4 Miscellaneous

(1) *Expenditure not chargeable against the Colonial Development and Welfare Vote*

Item 1—*Improvement to Aerodromes* 26,500

The estimated unspent balance at the end of 1950 of the £40,000 provided in the Development Committee's Report for improvements to local airfields is £4,500.

An additional amount of £26,500 is required to enable the Development and Reconstruction Authority to meet urgent and inescapable demands during the coming year, particularly at Mombasa and Eastleigh.

£

Head 15—10 Water Supplies

(2) *Miscellaneous Schemes not Chargeable against the Colonial Development and Welfare Vote*

PART III (MISCELLANEOUS)

Item 30—*Sewerage and Drainage Schemes* 20,000

A sum of £20,000 is required in 1951 to enable construction to be undertaken at Thika in connexion with the industrial development area. We have asked that proposals for the use of this money should be submitted to us before these funds are released.

Head 15—11 Buildings

(1) *Expenditure not Chargeable against the Colonial Development and Welfare Vote. Staff Quarters.*

Item 1—*Block Allocation—European and Asian Staff Quarters* .. 177,000

An original allocation of £450,000 was made by the Development Committee for staff quarters and was intended to go some way towards providing housing for Government servants of all races throughout the Colony but was known to fall far short of meeting all requirements. The allocation was subsequently supplemented by two grants of £200,000 each from Revenue for European and Asian Housing. In 1949 the transfer from Revenue of a further sum of £415,000 to enable more European and Asian staff quarters to be built was authorized. All these funds have now been allocated to meet urgent housing needs and have done much to improve the most immediate and pressing requirements, but a substantial problem still remains.

We have made a provisional allocation of £400,000 to cover European and Asian staff quarters during the next five years. Of this sum £177,000 is estimated to be required to meet urgent needs during 1951.

In addition to the provision made under various Colonial Development and Welfare schemes for African housing in general, a sum of £225,000 was set aside for African staff housing from the original block allocation of £450,000 made by the Development Committee for the housing of Government servants of all races. These funds were supplemented by a special contribution of £29,000 in 1947 for Public Works Department Staff Housing and the programme was further expanded by £117,000 in 1949 and £150,000 in 1950, with the approval of the Legislature. Sufficient provision is still available under the expanded scheme values to enable progress to be continued in 1951 with a modest programme of construction.

Educational Buildings (*Items* 8—38) 190,000

Additional provision of £107,000 is required by the Development and Reconstruction Authority to enable work to proceed on agreed European educational buildings. This amount is, for the most part, for new buildings to be erected at the Duke of York School during 1951 to accommodate the increased numbers of pupils expected to enter the school in 1952. The scheme value of this school has been increased by £98,280. This will enable the Government to carry out its statutory obligations.

£

Excluding funds provided out of the Inter-territorial allocation of the Colonial Development and Welfare Vote, the amount originally allocated for Indian Educational Buildings was £636,500. An additional £43,400 was estimated to be required for the building programme envisaged by the Development Committee and, failing the provision of funds for this purpose, there is no alternative but to regard this extension of scheme value as a charge against the Unallocated amount of £241,000 provided in the Development Report. Further, the Development Committee provision was supplemented by a grant of £90,000 from the special Revenue contribution of £400,000 made to the Development and Reconstruction Authority in 1946. The total amount, therefore, available for approved schemes up to the end of 1950 is £769,900. To cover the cost of buildings already completed and the scheme values of the projects appearing in the 1951 Draft Estimates, a further expansion of the Development Programme by £83,000 is required.. This is attributable mainly to an increase in the scheme value of the item Grants in Aid.

Government Offices (*Items* 39-44) 48,000

The amount of £157,000 which has been made available to the Development and Reconstruction Authority during the last five years for the building of Government offices has now been spent or is fully earmarked for agreed schemes. To enable essential work to be carried out during 1951 an expansion of the Development Programme by £48,000 is recommended. This sum is mainly required for the following projects:—

	£
New District Headquarters, Thompson's Falls ..	23,000
Administration Offices, Kiambu	7,500

We have asked that the programme of urgent works to be undertaken from the balance of the £48,000 should be submitted to the Committee before the funds are released.

Judicial Buildings (*Item* 45) 12,000

The Committee has made a provisional allocation of £20,000 for Judicial Buildings over the next five years and of this amount it is proposed that £12,000 be spent in 1951 for a new Court House in Kisumu.

Police Buildings (*Items* 56-62) 40,000

Of the total amount of £734,000 made available to the Development and Reconstruction Authority during the last five years only approximately £400,000 will have been spent by the end of 1950, but the balance is fully earmarked.

Funds amounting to approximately £32,500 are, however, required in 1951 for five urgent new projects and a further sum of £7,500 is required to cover increased scheme values of buildings already under construction. We, therefore, recommend the expansion of the Development Programme by £40,000 to meet Police Buildings requirements.

Prison Buildings (*Items* 73-75) 85,000

The original Development Committee provision of £100,000 for Prison Buildings has now been largely spent and it is likely that a further £350,000 will be required during the next five-year

£

period. We recommend that the Development Programme should be expanded by £85,000 to enable essential works to be carried out in 1951. An amount of £50,000 is needed to enable a start to be made with the building of a new prison in the Coast Province to replace Fort Jesus, and a sum of £35,000 is required for the completion of the Kisumu Prison.

Public Works Department (Items 76-78) 50,000

The Committee has so far made a provisional allocation of only £100,000 for Public Works Department yards and stores over the next five years. We recommend that out of this allocation £50,000 be made available in 1951, on the understanding that funds will not be released until the proposals for the use of this money have been placed before the Committee.

Summary: —

	£
Agricultural Schools and Farm Development	7,500
Rhodes Grass Seed Production	7,400
Improvements to Aerodromes	26,500
Sewerage and Drainage Schemes	20,000
European and Asian Staff Quarters	177,000
Educational Buildings	190,000
Government Offices	48,000
Judicial Buildings	12,000
Police Buildings	40,000
Prison Buildings	85,000
Public Works Department Stores and Yards	50,000
Total	£663,400

13. As has been explained in paragraph 7 above, the Committee has provisionally allocated an additional sum of £2,000,000 for the capital construction of roads during the next five-year period. We have noted that a sum of £625,000 has been included in the Development and Reconstruction Authority Draft Estimates for 1951 as a capital contribution to the Road Authority. We understand that £200,000 of this sum is required for the purchase of construction plant.

14. One difficulty which has confronted us has been how to decide what projects are properly a responsibility of the Development and Reconstruction Authority and what projects can be rejected on the grounds that they should be included under the Public Works Non-Recurrent Head of the Colony's Estimates. We consider that the present arrangements regarding the financial responsibility for capital works are insufficiently defined but we understand that the Member for Finance and the Member for Development are jointly examining this question. We should like to make it clear that our recommendations regarding the expansion of the Development Programme in 1951 to cover the building projects listed above are without prejudice to whatever final decision is reached on the relationship between Public Works Non-Recurrent and the Development and Reconstruction Authority Budget.

15. The cost of the schemes, listed in paragraph 12 will be met from the general finances available to the Development and Reconstruction Authority. There are, however, other schemes which will be financed from the Colony's block allocation (£3,500,000) of the Colonial Development and Welfare Vote and provision for which appears in the Development and Reconstruction Authority Draft Estimates for the first time. We consider these schemes to be urgent and on our recommendation applications were made to the Secretary of State for free grants. We are glad to learn that approval has now been received for all these schemes.

£

Head 15—3 Agriculture (8)

Head 15—11 Buildings (2)

Expenditure Chargeable or Partly Chargeable against the Colonial Development and Welfare Vote

***Agricultural Buildings**—Items* 6-10.

***Agricultural Investigation** Scheme* (*Scheme D*1467) 218,000

This scheme is concerned with the establishment of a chain of Agricultural Research and Investigational Stations throughout the Colony. An amount of £106,827 is required in 1951 for the establishment of two main stations and two sub-stations and for plant and equipment.

Head 15—9 Veterinary Services

Item 1—*Livestock Improvement and Animal Industry Centres* (*Scheme D*868 *A*) 15,175

The Development Committee recommended the provision of £60,000 for the setting up of Livestock Improvement Centres and a free grant of £59,300 (Scheme D 868) was sanctioned. Rising costs have necessitated a revision of the estimates and a further £15,175 has been approved to supplement the £59,300. The revised combined scheme value is now, therefore, £74,475 of which £24,000 is to be spent in 1951.

Item 2—*Quarantine Areas and Fenced Stock Routes* (*Scheme D* 1383) 28,000

The Development Committee recommended expenditure of £13,000 on the fencing of stock routes in the Colony. This sum was found to be inadequate and a new scheme costing £28,000 has been put into operation. £3,400 is required in 1951.

Item 6—*Veterinary Laboratory* (*Buildings and Equipment*) (*Scheme D*1380) 70,000

At the end of 1949 when the Kenya Veterinary Department re-assumed from the East African Veterinary Research Organization the responsibility for the manufacture of biological products, a sum of £20,705 was voted on the recommendation of the Standing Finance Committee to cover the cost of staff quarters and equipment urgently required. The present scheme is to cover the cost of further quarters and equipment and other buildings required to place the Kabete laboratories on a basis suitable for the manufacture of biological products. £45,000 is the estimated expenditure for 1951.

Item 7—*Naivasha Veterinary Laboratory* (*Buildings and Equipment*) (*Scheme D*1456) 60,160

Under this scheme a Research Station will be established at Naivasha for the investigation of sterility diseases of cattle and for pig and poultry research. Provision of £40,916 is required in 1951 for buildings and equipment.

16. We have taken note of the fact that the Member for Finance has included a special addition of £200,000 to the Colony's annual contribution from Revenue under Head 4—4 (50) Item 1 of the 1951 Draft Estimates. The addition of this sum will enable the early construction of new central Government offices so urgently needed.

17. Since the Draft Estimates were laid in the Legislative Council, the Committee has considered a proposal included in the Member for Agriculture's revised plan and which forms part of proposals for the establishment of a European Agricultural Settlement Fund to be set out in a White Paper which we understand is shortly to come before the Legislative Council. The proposal is that a sum of £130,000 be made available from the funds of the Development and Reconstruction Authority in order that the capital structure of the European Agricultural Settlement Board may be restored to £1,600,000 as at the 31st March, 1950. We welcome this proposal and recommend that a sum of £130,000 should be earmarked for this purpose out of the provisional allocation of £2,000,000 made to the Member for Agriculture.

18. Finally we would wish to place on record our view that planning is a continuous process and that even our eventual recommendations should be subject to revision during the remaining years of the Development Programme. This will be necessary not only because some schemes already approved may become unnecessary, whereas there may be an urgent necessity for new schemes which cannot at present be foreseen, but also because the progress of development, in addition to being subject to the total finances available during the five years, will have to conform to an annual ceiling, in the light of the loan programme. We consider it to be of the highest importance to retain as large a degree of flexibility as possible in the planning and execution of the Development Programme.

19. The members of your Committee are very conscious of the long delay which has taken place between our appointment and the production of the Interim Report. This was due firstly to periodic absences from the Colony of members which caused initial delay in convening the Committee. It was also due to the intensive investigation which Members of the Government had to undertake in the revision of their plans, and to the second revision which Members have had to make to fit their requirements within the limited finances available and within the annual expenditure ceilings, having regard to the recurrent commitments arising out of the plans. We owe Members and Heads of Departments our thanks for the way in which they have carried out their part. The delay, however, has also been partly due to the difficulties of securing the full-time services of an officer to undertake the duties of collating the material provided by Members. We are pleased, therefore, to record that an officer has now been posted as a full-time Secretary to the Planning Committee. With the speeding up in procedure which this should make possible we hope to present a fuller report early in 1951.

We have the honour to be, Sir,

Your Excellency's obedient servants,

J. D. RANKINE, *Chairman*.
H. L. ADAMS.
M. BLUNDELL.
J. J. K. CHEMALLAN.
F. T. HOLDEN.
CHUNILAL KIRPARAM.
W. PADLEY.
FRANCIS SCOTT.
Members.

A. M. WILKIE, *Secretary*.
8th November, 1950.

APPENDIX II

Finances Available (Paragraph 21)

The details of the funds which the Development Committee estimated would be available during the ten years 1946-55 are given in paragraph 25 on page 8 of the Development Committee Report (Vol. I), whilst the figure of £11,500,000 represents the loan moneys which it has been agreed can be raised during the development period, in addition to the £5,000,000 included in the Development Committee figure of £15,586,000.

2. In addition to the annual contribution of £300,000 which the Colony makes to the Development and Reconstruction Authority Fund (also included in the £15,586,000) the following special contributions have been made from the Colony's revenue from time to time:—

	£
Block contribution to various capital works, 1946	400,000
Block contribution to various capital works, 1948	250,000
Kenya Girls' High School	55,000
Group Hospital	56,000
European and Asian Staff housing, 1947	400,000
European and Asian Staff housing and furniture, 1948	415,000
Staff housing, Police	22,000
African Staff housing, Public Works Department	29,000
Rebuilding Public Works Department Central Stores, Nairobi	63,450
Survey Development	100,000
Kabete Veterinary Development	20,705
Central Government Offices	200,000
Road Authority programme	300,000
Total	£2,311,155
Say	£2,311,000

3. The following sums have been or will be made available from special sources:—

	£	£
(1) Receipts in various funds in excess of the Development Committee estimates—		
Excess Profits Tax (estimated)	650,000	
War time Contingency Fund	300,000	
Forest Replanting and Development Fund	139,400	
		1,089,400
(2) Coast Cotton Sales Fund		30,000
(3) Nyanza Cotton Sales Fund		60,000
(4) Livestock control profits		19,909
(5) Colonial Development and Welfare Vote		212,200
(6) Uganda Government for Technical College		100,000
(7) Unspent loan balances		18,009
Total		£1,529,518
Say		£1,529,500